Huge Power Development Looms in Ontario (Page 11)

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The Nation's Business

The Problem of Western Debts

Should Come First on Ottawa Agenda

Need Is Urgent

The Human Factor in Mergers

Who Is Responsible for Employees?

Why Is Debt Problem Left Off Ottawa Agenda?

ONE of the most pressing problems of public finance in Canada can be simply stated: it is to find a practical way by which the benefits of the low interest rates, now prevailing throughout the world, can be made available to all of our public borrowers — and especially the provinces and municipalities of western Canada.

Urgent as this problem is, it has not been put on the agenda for discussion at next week's Ottawa conference of Dominion and provincial treasurers and officials. The matter may be discussed under some more general heading, but there is no assurance of that.

This is most unfortunate. The recent arbitrary and unjust legislation in Alberta, in regard both to private debts and to the interest rate on provincial bonds, shows how irresponsible governments deal with such matters when stronger and saner governments evade them; when they permit public discontent to grow into bitter resentment against injustice, real or fancied.

* * *

IN A recent editorial, The Financial Post urged that a loan council or some similar plan be adopted to deal with the problem of western public debts. A number of prairie newspapers have written editorials commending The Post and welcoming its "belated" support in this matter. There is nothing belated in The Post's view that western reconstruction requires the stimulus of lower interest rates on public debts. The Post has been urging for years that this problem be tackled. It considers such a policy to be particularly urgent at this time because public discontent over the heavy carrying charges on provincial and municipal debts is growing in the four western provinces. If the feeling of injustice is not removed, there is a danger that radical and irresponsible governments will take control in the provinces other than Alberta and do what Alberta has done.

Surely there is a lesson in the facts of Alberta's excesses. The lesson is that embittered people will support dishonest and almost revolutionary policies if they do not feel that simple justice is offered to them in sounder policies.

If the western provinces are not put in a position to enjoy lower interest rates through an orderly plan of debt refunding, then governments are very likely to come into power that will obtain lower interest rates by disorderly methods.

* * *

THE chief difficulty in working out any plan seems to be the unwillingness of any of the provinces to surrender so much as a shred of their financial autonomy in exchange for the Dominion or loan council guarantee that would enable them to consolidate their whole provincial debt structure at lower rates of interest and assist their municipalities to achieve the same end. In fact it was Mr. Aberhart's swashbuckling independence last winter that made it impossible for Ottawa to aid the people of his province.

How much control the provinces ought to be willing to accept is not an easy problem to work out. But it would be possible to devise a loan council scheme in which the provinces themselves had a large measure of control. Thus the control would not be arbitrary, autocratic and imposed from outside, but would be co-operative and voluntarily accepted.

The Dominion Minister of Finance attempted to set up a series of loan councils to extend a Dominion guarantee to a refunding operation for any province desiring to offer its bondholders lower interest rates in return for better security. The plan fell through on constitutional and political grounds. There is reason to believe that the objections were more political than constitutional.

* * *

THE FINANCIAL POST has not attempted to present in detail the outline of a scheme of refunding for western debts. There is an infinite variety of plans which could be worked out successfully. The objective is clear; to lower the interest burdens of the western governments as the interest burdens of the Dominion and of eastern provinces and cities have been lowered. It should not be beyond the ability of statesmen to work out and agree upon the details of whatever plan is necessary.

The plan, however, cannot come to early fruition if the subject is left entirely off the agenda of the most important public finance conference of the year.

* *

Mergers and Workers

INCIDENTAL to the merging of two great newspapers recently there has come to the fore a major

(Continued on page 2, col. 4)

B. A. Gross Revenue Exceeds $2 a Share On U.S. Production

All Additional to Canadian Earnings of $1.10 a Share in '35

BONUS DECLARED

British American Oil Co. stands to obtain annual revenue of over $5 millions annually, or more than $2 a share on the common stock, from its production of crude oil in the United States, The Financial Post is informed. This would be in addition to the earnings in Canada from which the regular dividends of 80 cents a share annually have been paid.

The wholly-owned subsidiary, The British American Oil Producing Co., is now obtaining revenues at this large rate. And notwithstanding the reduced percentage of allowable production in effect at present as against early in the year, additional wells, which have been drilled and brought into production, will at least maintain the above-mentioned large yield throughout the year 1937.

Moreover, B. A. Oil Co.'s last annual statement showed that revenues of the wholly-owned subsidiaries were not included in the parent company's accounts, except for interest paid for loans.

Recent reports that the anticipated bonus for the year 1936 would not be paid were erroneous, as announcement has just been made of the declaration of the regular 20-cent dividend plus a bonus of 20 cents per share, payable to shareholders of record Dec. 15.

Big U. S. Revenues

The most definite indication yet given of B. A. Oil's revenue from production of crude oil in the United States is contained in a recent report from British American Oil Producing Co. It is stated that net daily production from all fields is now 12,000 bbls., an increase of 700% in the past 12 months.

The significance of this to earnings is calculated by The Financial Post as follows: 12,000 bbls. daily, for 350 days, amounts to 4,200,000 bbls. At $1 a barrel this means revenue of $4.2 millions. Actually this production would take place 365 days of the year and the current price of crude oil in mid-continent fields is approximately $1.15 a barrel.

There has been no serious marketing problem because of increasing demand for crude oil.

The importance of this U. S. revenue is indicated by the earnings reported to total $2,884,676 last year from Canadian operations. This was equivalent to $1.10 a share on the 2,622,642 common shares, and compares with $1.05 a share in 1934 and $1.01 a share in 1933. The recent announcement that earnings in Canada have been lower in 1936 than in 1935 was qualified with the comment that the decline would be more than offset by greater than anticipated U. S. income.

Pays for Development

Part of this huge revenue should be regarded, of course, as a return of capital, since the income is from wasting assets. Also, it may be debatable as to whether all of this will be net profit and whether some further allowance should be made for operating and development expenses. It is understood, however, that the company has paid out of revenue for all development expenses in the United States.

In Sept., 1936, production from B. A. oil wells in the Oklahoma City field was some 378,000 bbls., compared with 8,992 bbls. in the 1935 month. Daily net production in the Oklahoma field is running 10,750 bbls. from 56 wells. The remaining 1,250 bbls. daily come from wells in Texas, Kansas and Montana.

The producing company has deposited a bond for $1 million with the Oklahoma courts in connection with the lawsuit involving the company's Piersol and Russell leases which constitute only 30 acres out of a total of 285 acres in which the company has interests in the Oklahoma City "Mansion Area" field. The amount deposited is sufficient to pay any possible loss in the suit.

U. S. Oil Situation

At Nov. 14, U. S. stocks of crude oil were slightly below 290 million barrels. This is the lowest level for years and is indicative of strong domestic and foreign demand for crude.

In Texas, the Railroad Commission is allowing about 10% greater production for December than for November. If Oklahoma authorities were to allow increased production, it would add to the revenues of British American Oil Producing Co.

There have been unconfirmed reports that the price of crude oil in U. S. mid-continent fields may be raised about 10 or 15 cents a barrel from the present level of $1.15. This also would improve revenues of the B. A. Oil producing subsidiary. However, if production increases are allowed, it is suggested by close observers of the American oil trade that higher prices would be unnecessary.

BANKS BACK

Charles A. Banks, managing director of Bulolo Gold Dredging Ltd., of New Guinea fame, has been back in his native haunts on the Pacific Coast, where he first conceived the idea of using dredges to recover gold from river gravel. His name is linked with the fascinating story of the New Guinea operation, a story which is told on page 19.

Payroll Tax Hits All Firms With Employees in U. S. A.

Thousands of Canadians in all parts of the United States are this week filling out small registration cards which they hope will some day bring them an old-age annuity or pension.

Cards were first sent to employers a month ago and had to be returned to Washington by Nov. 21. These cards merely provided registration of the employer and paved the way for the individual employee registration cards now being distributed and which must be returned by Dec. 5.

Affects Every Employer

Every Canadian firm and organization which has any employees in the United States is concerned with this new social security plan. And it must be distinguished from the unemployment insurance registration which has been going on for some time and which is governed by a combination of state and federal effort.

In most states the regulation regarding unemployment insurance registration is that the employer must have a minimum of seven or eight employees to be included in the plan. Thus any Canadian who employs more than seven or eight persons is eligible also to pay the 1% jobless insurance contribution required by all employers—a payment that is made either to the state (if a plan is in force) or to the Federal Government. The plan will operate officially on Jan. 1, 1937, and preliminary work has been under way for many months.

Pension Scheme Details

But quite apart from this unemployment insurance plan, attention of Canadians who have offices or organizations in the U. S. is for the time being focused directly on the old age pension scheme. This calls for a graded contribution from both employers and employees. For the first three years (1937-38-39) the rate is 1% for both the employer and the employee. From 1940-42 the rate rises to 1½%; thence for the next three years to 2%—finally reaching the maximum contribution of 3% for each party in 1949.

The only persons exempt from this are certain specified occupations such as farmers, domestic servants, seamen, federal employees, bank employees, professional and independent workers. The limit of coverage is $3,000 but all those receiving more than $3,000 are required to make a contribution on the first $3,000 of their income. The deciding factor is residence in the United States. That is, any person resident in the U. S. is included in the plan whether he or she is an alien or not. Unlike the unemployment insurance scheme, the plan includes both those on salary and on commission.

At the moment the important thing for Canadian employers is to realize that both they and their employees are eligible for this "payroll tax" for any employees they may have in any part of the United States—unless these employees come under the few groups who are exempt. And the deadline for individual employee registration is Dec. 5.

The deadline for employer registration was Nov. 21.

Dominion Textile Restores Mill Wages to 1933 Level

Dominion Textile Co., Montreal, announces wage increases ranging up to 7% effective Dec. 7. The increases mean addition of some $250,000 annually to payrolls, if mills can be operated at capacity to give full employment. The increases restore wages generally in the mills to the levels prevailing at April 10, 1933.

General improvement in conditions as reflected in orders on hand is given as the underlying reason for the increases in wages.

Commercial Possibilities Are Probed By New Laboratory and Road Tests Of Famed Pogue "Mystery" Carbureter

Device Is Still in Experimental Stage and Has Yet To Be Proved Feasible for Use in Ordinary Passenger Automobiles

OTHER POGUE INVENTIONS TO BE DEVELOPED WHEN CARBURETER'S MERITS ARE CONFIRMED

By THOMAS C. THOMPSON

First newspaper to reveal the sensational nature of secret Ontario tests of the now-famous Pogue carburetor last week, The Financial Post was also first to warn hordes of would-be investors in the invention that:

(1) The Pogue carbureter has not yet been proved a commercial success at its present stage of development.

(2) Neither has it been proved a failure.

Charles Nelson Pogue's "mystery" carbureter, on which he has spent $35,000, on which his original backer, W. J. Holmes, Winnipeg rink magnate, has spent $115,000, and which is now backed by the millions of John E. Hammell, noted mining man, is still in the experimental phase so far as its commercial possibilities are concerned.

Its sponsors and those closely associated with tests of the carbureter over a period of months continue to claim it will enable an automobile to travel 200 miles or more on a gallon of ordinary gasoline. Suggestions that more mileage than this is possible do not meet with denial from those intimately connected with the tests.

To those who scoff at the carbureter and its possibilities, the reply of Charles Pogue is merely the question, mildly spoken:

"And what do they know of my carbureter when they have not even seen it?"

To those who ask John E. Hammell if he believes the invention will become a success, the answer, less mildly spoken, is:

"I don't know, but I'm going to find out. I'm not kidding myself but I know that radio, the airplane and every other big inventive achievement in the past has been knocked by those who were not big enough to see its possibilities and find out if they were practical."

Has Other Inventions

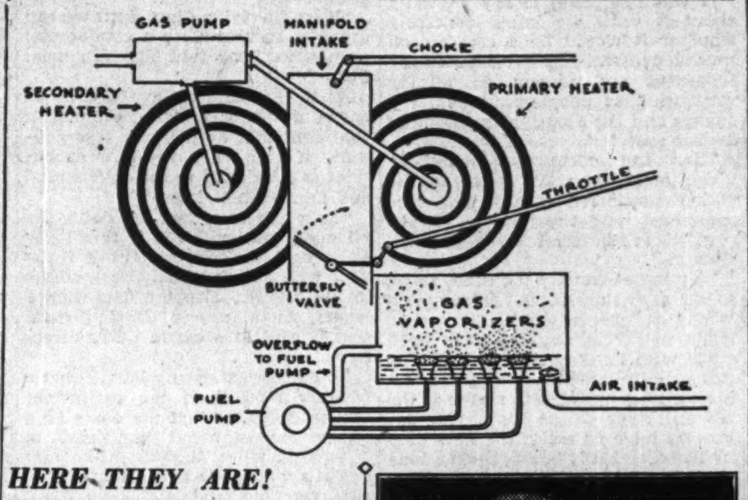
Pogue is confident of success. He has spent most of his life in inventive effort. He has developed advanced designs of railroad equipment, road-scraping machinery and a score of other devices which have never received the backing of big business.

If his carbureter succeeds, Jack Hammell's money will be behind a dozen more Pogue inventions.

At present it remains to be proved feasible from the standpoint of engineering and design and to the point where any car can be serviced with Pogue carbureter equipment. After that it must still be proved practical from the standpoint of commerce as an article that can be manufactured and marketed at a profit.

Secret laboratory and road tests of the invention, in Ontario, first revealed by The Financial Post, are continuing. These involve only the use of Pogue's own carbureters to date, since new carbureters of more advanced design but embodying the same principle, have not yet been completed to the point where they can be installed for road tests. Engineers associated with John E. Hammell, are completing refinements on the new carbureters which

(Continued on page 2, col. 2)



HERE THEY ARE!

Above, The Financial Post shows details of the principle on which the Pogue carbureter operates. Important parts are shown by name. The sketch does not purport to be a complete plan and merely shows the method by which gasoline is pumped from the tank into a chamber where it is sprayed in fine jets, the vapor rising into the primary heating unit, pumped into the secondary heating units for further vaporization and treated during the process to vaporize the gasoline to its fullest extent.

Unvaporized gasoline is carried back through a channel to the fuel pump where it is once more taken through the vaporization process, basic principle of the Pogue invention. The sketch is a composite one, prepared on the basis of the general design and outline of earlier Pogue carbureters and from information reaching The Financial Post regarding recent improvements that have been made. Essential to its successful operation, The Financial Post understands, are mechanisms by which gasoline is fed through the carbureter in a much slower process than those now in use. In the ordinary carbureter the principle is that of drawing in gasoline, spraying it by means of a needle valve and mixing it with air to form a combustible vapor.

A picture of Pogue is shown at the right.

C. N. POGUE

Post Leads Way In Pogue Tests

Twenty-four hours after last week's Financial Post carried on its front page the sensational story of the new Pogue carbureter other newspapers pricked up their ears and began to publish major stories. Wellington Jeffers, writing in The Globe and Mail, Toronto, on Friday, sounded a cautious note of reassurance to investors. The following day, Saturday, another Toronto newspaper emphasized the possible world repercussions of the Pogue tests. In a "copyright" front page story, The Toronto Star published an article almost identical in its facts with those of The Financial Post three days earlier.

Then came The Evening Telegram with a front page feature story by Norman Albert, mining editor of the paper and published Monday. On Tuesday The Toronto Star again "followed" with an interview with John E. Hammell.

The Financial Post expresses no view of the ultimate success or failure of the Pogue carbureter. The secret tests were news.

Keen Eyes Guard Approach To Secret Test Laboratory

Screened from the public view behind a grove of trees, in the second floor of a building within a hundred yards of a main Ontario highway, is the secret laboratory in which tests of the Pogue carbureter are being made day and night.

A stranger has no inkling of its significance. It is possible to approach within twenty yards before any indication is given that the visitor's movements are being watched. At that point a door opens and a young, husky but pleasant mannered man saunters forward. He is dressed as a mechanic or gardener, and there is nothing in his manner to suggest anything else.

"Is Mr. Pogue here?" The Financial Post asked.

"No," was the reply. "He's going to Winnipeg tonight and he's not around today." There is no attempt to evade legitimate enquiries, but there is an air about the building and its surroundings that bodes no good for those who might have business of another kind.

Courteous, but blandly non-communicative, the men charged with keeping secrecy surrounding the tests are on the job every moment.

As The Financial Post approached the laboratory, the first visible sign of the test efforts was a group of half a dozen automobiles, some covered with tarpaulin, and others parked in the area of the building. No one can get close enough to those cars to see what they contain under the hoods, but during The Financial Post's visit two cars were driven away, apparently for road testing, but not until the writer was a reasonably long distance away.

Leaves on Truck

Ahead was a light truck containing an ordinary wooden packing case on the open carrier section of the vehicle. The box was approximately the same size as the Pogue carbureter at its present stage of development—a cumbersome, hand-made piece of mechanism, of a size that would appear more suitable for tractor installation than for use in the ordinary light passenger car.

Behind the truck as it swung on to the highway was a Ford V8 coupe, but visitors were not given the slightest chance to view either car closely. Both cars waited until traffic was fairly clear on the highway and then shot from the side-road.

Work at Night

Lights burn in the second floor of the laboratory at night, and in conversation with persons living in the area The Financial Post learned that work goes on without interruption.

But residents of the area, too, are silent under questioning. They have seen armed guards, and weeks ago they knew that something out of the ordinary was in progress but as a source of information they have all adopted a clam-like attitude toward strangers. Guards, mechanics, gardeners or whatever term may apply to the quiet but observant young men who stroll around the building, are equally mum so far as information is concerned.

DIVIDENDS INCREASE

Indicative of returning prosperity, dividends of Canadian corporations in 1936 will be higher than in any other year with the exception of 1930, according to a compilation by The Financial Post. Total declarations and payments to date total $250.8 millions, an increase of $28.7 millions over 1935. Compared with 1933, the low year of the depression, the increase is $116 millions. Details appear on page 5.

Dom.-Scottish Plans to Issue 15-Year Bonds

Preference Shares May be Exchanged for 4% Bonds

Issuance of $750,000 of first collateral trust 15-year 4% bonds is planned by Dominion Scottish Investments Ltd.

Under a plan of arrangement, which is to be submitted to shareholders at a meeting on Jan. 4, 1937, holders of units of one preference share and one common share are to be given the opportunity of exchanging their preference shares into first collateral trust bonds on the basis of $100 of bonds for every two preference shares. Unit holders making the exchange will be obligated to sell to the Royal Trust Co. as depositary the corresponding number of common shares at a price of $1 a share.

Holders of preference shares not surrendering their holdings for exchange may increase their equity in the trust by acquiring further common shares at a price of $1 a share on the basis of one common share for each preference share held.

Bonds Underwritten

The offering to unit holders is to expire Jan. 20, 1937, and is limited to issuance of $750,000 of bonds. In the event that the number of preference shares surrendered for exchange exceeds $750,000, the participation in the plan will be allotted on a pro rata basis. The exchange is entirely optional.

Subject to shareholders' approval of the plan, Cochran, Murray & Hay, Toronto investment firm, have agreed to underwrite any portion of the $750,000 of bonds not taken up in exchange for preference shares. These bonds are to be sold to the underwriters at a price not less than $95 for each $100 of principal.

Report Foundation Locates Crude Oil

Reports reaching Toronto at press time stated that Foundation Petroleum, drilling in the southwestern section of Turner Valley, had come in with a strong flow of from 1,200 to 1,800 barrels of good quality crude per day.

The Foundation development will extend this crude oil area one mile to the south, and has important implications for Calgary & Edmonton Corp., which owns large acreage on the west flank of the valley.

Riverside "A" Pays

Riverside Silk Mills Ltd. has declared a regular quarterly dividend of 50 cents a share plus an extra on account of arrears, of $1.75 a share, on the A stock. Both dividends are payable Jan. 2 to shareholders of record Dec. 15. This payment of $1.75 will clear all arrears of dividends on the stock.

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Both Railways, Richardson in New Airline

Railways Will Each Control 37½ Per Cent of Stock

$5 MILLIONS CAPITAL

From Our Own Correspondent

OTTAWA.—A sub committee of the cabinet is working out the details of the semi-governmental aviation company which is to be given exclusive rights to fly the mail and passenger service from Atlantic to Pacific, with the main feeder lines linking up with the United States, the service to begin with a Winnipeg-Vancouver schedule next Dominion Day.

The new company, which will be incorporated in a few days, will be called TransCanada Airways Limited.

Three Shareholders

Allocation of the shares of the new company, allowing, of course, for a possible last minute alteration, will be as follows:

Canadian Pacific Railway 37½%
Canadian National Railways 37½%
James Richardson interests 25%

The new company will be capitalized at $5,000,000, it is expected.

Existing aviation companies, such as Colonial Airways, Canadian Airways, Wings, etc., will continue as now to serve the public in the northern routes and between centres not on the TransCanada or subsidiary routes.

Lobbyists on Job

There has been prolonged and vigorous lobbying on the part of the major aviation companies, and of other interests prepared to enter the field. The Government's tentative plans have been altered several times. While the sub committee has not yet endorsed the above set-up for final submission to the cabinet, there appears to be every prospect that it will stand.

At one stage, owing to the intensive drive on the part of private companies to get into the picture in some way, there was serious consideration given to handing the route over completely to the two railway companies, and thus eliminate any jealousy or recrimination which might develop when a choice had to be made between the competing private companies. This might still happen.

Foresaw Criticism

But it was brought out in later discussion that to hand over such an important new transportation route to companies with extremely heavy investments in other types of passenger and mail service would be a subject of bitter criticism from many quarters and would probably not be fair to the new development, no matter how justly it was treated by the railway companies.

At another time it was reported that in addition to its interest through the Canadian National Railways, the Dominion Government would take up a block of the shares. There is in the cabinet a strong element opposed to Government interference in private business beyond what is indicated as essential for the well-being of the public, and this element has apparently prevailed.

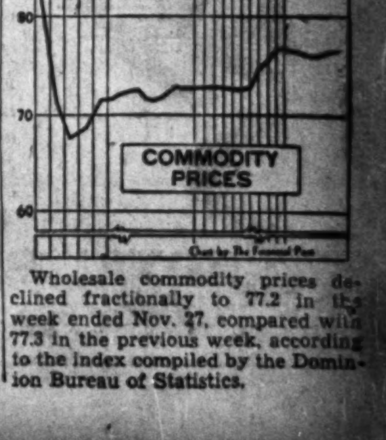
Millions Already Spent

The Government's financial investment in the TransCanada route will in any event be greater—for a long time at least—than that of the operating company. The Dominion has already invested $6,500,000 in air fields, and contemplates further expenditures of $1,500,000. In addition to the capital cost, there will be annual maintenance and service costs running into a substantial figure.

The service thus starts out as one that has cost the Dominion considerable, and the authorities here feel that they have every right to say who is to run the mail and passenger service across Canada.

As the pioneer of commercial aviation on an important scale, James Richardson, of Winnipeg, associated as he is with an important Canadian aviation company and in possession of much valuable experience of aviation services, was regarded by the Government as the logical man to come into the picture with the two railway companies.

The Government feels that its contemplated company will protect the public in a number of important details. The new service will be launched with exceptionally strong financial backing, and will be operated by men who know every angle of the transportation problem. The public will expect fast, safe planes, courtesy and service. The Government believes the new company will be equipped to meet these requirements.



Wholesale commodity prices declined fractionally to 77.2 in the week ended Nov. 27, compared with 77.3 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

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The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-fifth Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 28th, 1935, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1936, and that cheques will be mailed January 2nd, 1937.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Que., December 1st, 1936.

Commercial Possibilities Of Carbureter Probed

(Continued from page 1)

will be used to confirm or disprove the claims of the inventor of the device.

Mr. Hammell, noted for his pioneering efforts in Canadian mining and his faith in mining or business enterprises which appear to hold reasonable promise of successful development, has not lost faith in the Pogue carbureter.

"Taking a Chance"

"You forced my hand," he admitted, commenting on The Financial Post's article a week ago, which revealed for the first time both the secret tests in Ontario and Mr. Hammell's interest in the invention, and which unleashed a continent-wide flood of newspaper articles.

"I was not going to say anything about it until we knew definitely whether it would be a commercial success or not, but I have staked my judgment and money on mining ventures that people said hadn't a chance and I'm doing the same thing in this case."

"Has the curbureter definitely given more than 200 miles to the gallon as reported by those who were connected with the tests in Winnipeg?" The Financial Post asked Mr. Hammell.

"We are at exactly the same stage, so far as that goes, as they were in Winnipeg," he replied. "The tests made so far in Ontario have been made with Pogue's own carbureters. using pint quantities of gasoline and multiplying by eight to arrive at the 200 miles per gallon basis. Our engineers have to make the new ones by hand, and it is taking them a long time to do it."

To John E. Hammell, the matter of financing tests to confirm or disprove Pogue's invention is nothing more than adapting the same methods he has used in mining.

"It is the same as if a man brought me a set of assay plans from a mining property," he explained. "If they seem promising, we check them over and find out whether the proposition is worth while. That is what I am doing in this case.

"Since The Financial Post published the story, I have been getting stacks of letters from all over the country," he went on. "People want to buy stock, but I'm not trying to sell stock, and the whole thing has seriously interfered with my mining interests. I am a busy man."

Busy or not, Jack Hammell has been deluged with letters from all over North America from people anxious to invest in the invention. From the first morning that The Financial Post appeared on newsstands, his mail has literally arrived in baskets, and if all the offers "for an interest" were to be accepted, it is a conservative estimate that Mr. Hammell could get more millions than he already owns. He is emphatic, however, in his statement, that the carbureter is not yet ready for the public.

"It isn't worth a dime until we can prove it successful as a commercial proposition," he told The Financial Post.

As to the fears of investors in oil companies' stocks, Mr. Hammell is confident that no one will lose anything if and when the new carbureter is developed to the commercial and marketable stage.

"As a matter of fact I'm doing the oil companies a favor if this thing succeeds," he declares. "Think of the new uses for gasoline, the increase in its use in airplane and motor travel, as a source of industrial energy and in a dozen other directions."

No danger exists any longer that a "master model" of the carbureter can be stolen, or that there can be a recurrence of what happened in Winnipeg, when thieves broke into Pogue's workshop and attempted to steal working models.

Working Models Made

A number of working models have already been constructed and put in different places of safety.

Further enquiries by The Financial Post this week disclosed new information regarding the carbureter itself.

For years the device has been subjected to continual refining processes in design, but even at its present stage it is not in an engineering form applicable to the ordinary automobile, and it must be still further refined in design before installation on any car would be possible. At present, the ordinary automobile, The Financial Post learns, could not be serviced if equipped with the carbureter, and the cost of manufacture and installation would be prohibitive from a commercial standpoint.

Must Succeed Commercially

It is for this reason, obviously, that Mr. Hammell describes it as "not worth a dime" until it is developed into a commercial proposition. On the other hand, its ability to do what is claimed for it in principle has not by any means been disproved by recent tests.

On completion of the new carbureters, now in the final stages of construction by Mr. Hammell's engineers, these new and refined working models will be installed in an ordinary passenger car and given road tests.

They are hand-made, of necessity, and in all probability will have to be further adjusted or perfected, but their principle is the same as that of the Pogue invention. The latter embodies, among other features, the principle of breaking up the gasoline jets through the carbureter into extremely small particles, increasing the amount of explosive vapor which, ignited by the spark, is claimed to give more power with the same quantity of gasoline.

Pogue's theory, in broad terms, is based on the idea that gasoline globules passing through the carbureter enter the cylinder explosion chamber surrounded by a vapor, and that only the vapor explodes from the spark and provides the power. The gasoline inside the globule merely burns with an intense heat, he believes, and adds nothing to the driving power of the fuel which has already exploded in the form of ignited vapor, rushed at high speed into the explosion chamber.

Pogue's efforts consequently have been to break up the gasoline into smaller globules and feed it through the carbureter at a slower speed. His carbureter has been designed and remodelled from time to time with that object in view.

Planning Ahead

Tentative plans have already been made to meet the problems of later development if, as and when they arise. At the moment, only an engineering personnel is at work on the Hammell tests, but within a short period, if these are successful, new personnel will be added to cope with the problems which lie ahead. Additional automotive and airplane engineers and chemical experts will be needed, authorities on design and installation, and other technicians, all specialists in individual problems, are expected to take a part in the later phase of development—if the first experimental hurdles are cleared.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.55	4.75
Can. Invest. Fund	4.65	5.00
Grouped Income	6.70	7.35
Can. Equity	13.50	....
All Can. Com.	14.50	15.00
Trans. Canada	14.50	....
Can. Int. Trust, modified	6.50	....
Do., unmodified	5.50	6.50

FEATURES in the December issue

THE CANADIAN CHARTERED ACCOUNTANT

Some Academic Doubts About Secret Reserves
Currency Stabilization
Some Fundamental Principles of Business Investigations
The Dairy Industry—Butter
Co-ordination of Public Services
Shareholders and Balance Sheets

Published monthly, $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

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THE ROYAL BANK OF CANADA

OVER 600 BRANCHES IN CANADA

The Nation's Business

(Continued from page 1)

question of human relationships: the responsibility of management to the human beings whom it controls and directs.

How did it happen that when this important deal was consummated, several score men and women, with service records dating back 10, 20 and 30 years, found themselves facing unemployment with the possibility of only a week's pay ahead of them. It is not suggested that this was the first merger to leave the human element largely out of the calculations of the parties to the deal. But it will serve as an example and it does point a moral.

* * *

THE story of the Globe-Mail merger as told to The Financial Post is a contradictory one. On the one hand we are informed that when C. George McCullagh, owner of the Globe, purchased the Mail & Empire, the written contract stipulated only three men who were to be looked after. This part of the bargain was honored by Mr. McCullagh who then realized that, unless some special action was taken, several score men and women would be dismissed with only a week's pay and relatively meagre prospects of immediate employment with the continuing paper. To alleviate this, Mr. McCullagh offered to pay all former employees of the Mail Printing Co. four weeks wages without regard to seniority, age or other factors.

On behalf of Mr. Killam, we are told that the new owners purchased control of the property as a going concern and that responsibility therefore rested entirely with the incoming group once they had decided to run only one morning paper.

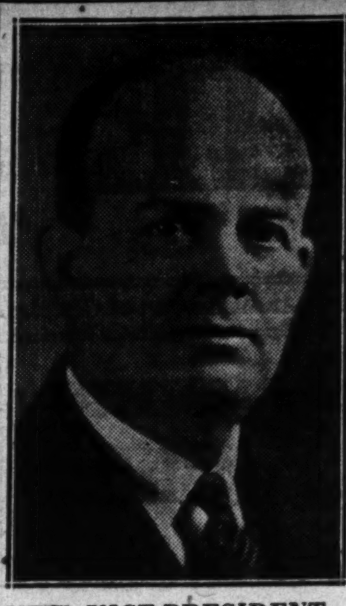
Whatever the merit or accuracy of these two viewpoints, the major question raised is one of responsibility. Where does it lie in mergers such as this, quite apart from ordinary industrial relations when a store or factory is closed down or employees dismissed because of lack of business?

* * *

THE only fair and reasonable answer seems to be that both the seller and the buyer must undertake to see to it that the contract of sale stipulates who shall look after the employees in order to make certain that responsibility does not fall between two stools. In some cases a business is bought as a going concern with the implication that employees as well as bricks and machinery are being purchased. In that case it is certainly the new buyers who take on the responsibilities of playing fair with employees. In other cases, when a plant or property is being closed down, it is obvious that the employees face the end of the road unless special provision is made for them in the new agreement or by their late employer. In either case hardship and bitter injustice will appear unless both parties to the contract reach a definite agreement as to the treatment of the employees affected. That principle should be clearly established; that no businessmen have any moral right to ignore their workers when they buy and sell properties. The employees must be remembered in the bargain.

The larger moral of this incident is not only that should there be a clear understanding between firms involved in mergers as to where responsibility rests, but also that employers generally should take steps to prepare for such emergencies—emergencies which are bound to occur in any business with the normal ebb and flow of economic conditions and circumstances.

One constructive suggestion made this week by a leading life insurance official is the use of proper pension plans which provide "that employees shall receive definite guaranteed benefits which are not affected either by the amalgamation or by the winding up of companies."



NEW VICE-PRESIDENT

John R. Read has just been elected a vice-president of Canadian Westinghouse Co. He will come to headquarters of the company at Hamilton from Vancouver, where he has been district manager.

Share Boom In Munitions Irks Ottawa

Government Dislikes War Consciousness and Wild Rumors

From Our Own Correspondent

OTTAWA.—It is understood that the Dominion Government has been much concerned over the intensity of the speculation in the so-called "munition stocks" on the Canadian exchanges. It is felt that the rapid advances and the market comment that has accompanied them have been generating a war consciousness in the Canadian people at a time when the Dominion is endeavoring to keep the country cool and calm in its attitude toward war threats in Europe.

Ottawa's view is that the talk of munitions orders from Great Britain has been about 5% based on fact and 95% upon gossip, rumors or deliberately false information. The Government has no information of any definite orders for Canada other than the single order reported by National Steel Car Co. and which is of very limited amount.

Fantastic Bulletin

Recently a financial news bureau sheet in Toronto published a fantastic story to the effect that Rt. Hon. W. L. M. King had returned from Britain with his pockets bulging with orders for munitions; that he was calling a conference of Canadian industrialists to parcel out the orders; that he was, in fact, likely to turn out to be Canada's No. 1 munitions salesman.

The story was made up out of whole cloth. Mr. King brought back no munitions orders at all; he called no conference of manufacturers and, according to well-informed Ottawa officialdom, has made no attempt to get munitions business from Britain for Canadian plants.

There will be some business for Canada, it is assumed, but it will not be extensive in character. Britain is expected to send private missions to Canada to study Canadian heavy industries and report upon their equipment and capacity for manufacturing airplane parts, shells and other equipment needed in the rearmament programme. The missions will come quietly and leave quietly, and in some cases their presence in Canada will not even be known to more than a limited number of people. The probability of this sort of enquiry was first revealed some weeks ago in The Financial Post.

Partial confirmation of recent reports of orders for $1½ million in aircraft from Canadian Vickers Ltd. was given this week. The Department of National Defense, Ottawa, announces that a contract involving some $750,000 for five flying boats has been awarded to the company. These are for the R.C.A.F.

It is said the order could not be obtained in England because some of the British factories are rushed with Government orders. On the other hand, it is known that some British aircraft firms have actually been seeking to get additional business in Canada.

The report that Canadian Car & Foundry has received, or is to get, orders for $15 millions in munitions cannot be confirmed. Denial is given to rumors of orders for Massey-Harris Co.

National Breweries Profit Off Moderately for 1936

From Our Own Correspondent

MONTREAL.—Volume of business handled by National Breweries Ltd. for the year to date has been somewhat less than in the corresponding period of 1935. This has affected earnings to some extent, but the major influence on profits has been absorption by the company of the increased sales tax. However expectations are that the financial statement will show the $2 dividend on the common stock earned by a comfortable margin.

Last year National Breweries reported a total income of better than $2.7 millions, equal to $2.46 a share on the 721,372 shares of common stock outstanding. Consequent upon this improvement in earnings the dividend on the junior security was advanced from $1.60 to $2 a share.

For several weeks past National Breweries stock has exhibited signs of sluggishness on the Montreal Stock Exchange. The stock touched a high for the year of 45 last June, moving up from a low of 39 in January. In recent weeks the stock gradually slipped back to 40½ and has recovered currently to 42.

Bond Sales

County of Halton

County of Halton, Ont., has sold an issue of $5,000 of 3% debentures, maturing in five installments, to J. L. Graham & Co. at 100.037 which is a cost basis of about 2.987%. The only other bid received was that of the Bank of Nova Scotia at 99.45.

St. Catharines

The city of St. Catharines has sold $170,000 of debentures, consisting of $150,000 of 3½% serial debentures, due 1937-66, and $20,000 of 2% serial debentures, due 1937-41, to Wood, Gundy & Co. The price paid was 102.2658, which gives a cost basis of about 3¼%. Proceeds of the 3½% issue are for the purpose of a new city hall and police station and the 2% issue is for direct relief purposes.

St. Catharines has the lowest net debt of any city of similar size in Ontario. Indicative of the city's credit standing is the fact that 20 bids were received for the issue.

The 2% bonds are being offered at 99.28 and accrued interest and the 3¼% debentures at prices yielding from 2¼% to 3⅜%.

Bids were as follows:

	Bids
Wood, Gundy & Co.	102.2658
Harris, Ramsay & Co.	102.07
Dominion Securities Corp.	102.057
Bartlett, Cayley & Co.	101.5864
Dyment, Anderson & Co.	101.576
Midland Securities Corp.	101.329
Griffis, Fairclough & Norsworthy	101.32
McTaggart, Hannaford, Birks & Gordon	101.32
Harrison & Co.	101.31
R. A. Daly & Co.	101.11
J. L. Graham & Co.	101.098
Harris, Mackeen & Goss	101.077
Royal Securities Corp.	100.697
Bank of Montreal	100.495
Draper, Dobie & Co.	100.35
Cochran, Murray & Co.	100.13
McLeod, Young, Weir & Co.	99.209
Mills, Spence & Co.	99.14
A. E. Ames & Co.	96.25
Bell, Gouinlock & Co.	96.822

Shareholders Sue For Million Return

Brompton Group Make Allegations Against Directors

From Our Own Correspondent

MONTREAL.—Hearing of argument on the case in which three shareholders of Brompton Pulp and Paper are suing for return to the company of $1,026,895 will be heard in the Montreal Superior Court, Dec. 14.

The shareholders, Terence Gerard Walsh, Frederick J. Southwood and Dame A. Campbell, charge that through control exercised by interlocking directorates and through a holding company, Brompton directors acted in a manner detrimental to the company in the sum stated.

Many Are Involved

The suit is directed against George R. Cotrelle, Arthur F. White, H. A. Clarke, Robert W. Steele, R. O. Sweezey, John I. Rankin, Noah A. Timmins, Ernest Rossiter and St. Lawrence Corp.

Rubec Capital Plan Approved

Company Geologist Tells Shareholders of Work on Properties

From Our Own Correspondent

MONTREAL.—Rubec Mine shareholders have approved an increase in the company's capitalization from 5 million to 6 million shares of no par value. While no definite offer has been received as yet to take care of the financing arrangements, shareholders are told it is hoped to sell the shares to a syndicate at 50 cents a share, less the 15% commission, which would net the company 42½ cents a share.

Before such a deal is consummated, however, existing shareholders will be given the right to subscribe to the new stock at 50 cents on a basis of one new for each five shares held. The right, not transferable, will be exercisable for a period of two weeks from official date of notification by the company.

At Toronto, J. M. Godfrey, Securities Commissioner, announced that a full investigation of this property by an independent engineer would be asked for.

Refuse Joy Oil Co. Storage Tank Permits

Toronto city council by a vote of 15 to 6 has refused to grant permits to the Joy Oil Co. to erect gasoline storage tanks on property leased from the Toronto Harbor Commission.

Permits for three gasoline stations have already been granted to the company.

The chief reason for refusal of permits by council is that the Joy firm might cause a "gasoline war" by lowering prices.

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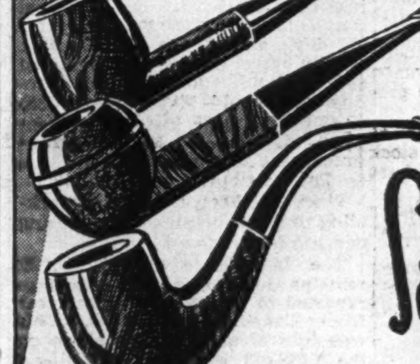

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News of Investments - - Analyses

Price Bros. Plans to Get New Money

Syndicate Underwrites Over $19 Millions of Securities

PAY ALL CLAIMS

From Our Own Correspondent

MONTREAL.—Price Bros. & Co. announces that arrangements have been made for the sale of $19,268,000 par value of securities, the proceeds from which will be sufficient to retire the present bonds, pay all creditors and provide the company with net working capital of approximately $6 millions.

Steps are being taken to call the necessary meetings of shareholders to authorize the carrying out of the arrangements. Given this approval, the way will then be clear for an internal reorganization, which will prevent foreclosure and sale of the property by Pacona Ltd., holders of practically all of the company's bonds.

Syndicate Set Up

The sale of the securities has been arranged through a syndicate headed by Royal Securities Corp., and including Kitcat and Aitken, Wood, Gundy & Co., W. C. Pitfield & Co., R. O. Sweezey & Co. and Drury & Co.

It is proposed to issue $12 millions of 20-year sinking fund bonds and $3 millions of two to six-year serial bonds. The interest rate on these bonds is not mentioned in the official announcement, but is likely to be 5% for the long terms, and 3% to 3½% for the short terms.

The company has also arranged for the underwriting of $4,268,000 of 20-year convertible 4% debentures, convertible for 10 years (but callable at par and accrued interest at any time after five years) into common stock at $30 a share. These debentures will be offered to the present common shareholders pro rata.

With the proceeds from these three issues, the company will realize around $19 millions after underwriting expenses. This sum will be used to redeem the 6% bonds now outstanding. This will involve not only payment of principal, but accrued interest and interest on interest, as well as any premium, and will aggregate around $15 millions.

There will also be sufficient funds to pay off the unsecured creditors' claims which amount to at least $2,699,829 and may possibly run as high as $3 millions.

Offer to Stockholders

The preferred shareholders of Price Bros. & Co. are to be asked to accept in exchange for their present 6½% cumulative preferred, a 5½% preferred stock, cumulative from Jan. 1, 1939. In addition they will receive on account of dividend arrears 1¾ shares of new common stock for each $100 par value preferred share now held.

The common shareholders will be asked to exchange their old stock for new stock on a share for share basis.

The capitalization of the company under the proposed set-up will be as follows:

20-year s.f. bonds*	$12,000,000
2 to 6-year serial bonds*	$ 3,000,000
4% 20-year convt. debentures	$ 4,268,000
5½% cum preferred	$ 6,284,300
Common shares, n.p.v.	679,064 shs.†

†Including 142,266 held for conversion of debentures.

*Interest rate not arranged.

Distribution of Common

The manner in which the new common will be distributed follows:

Issue to:	No. of shares
Preferred	109,975
Common	426,823
	536,798
Held for conversion	142,266
Total issue	679,064

It is officially stated no new stock will be given as a bonus to underwriters. Their compensation will come in the form of a commission on the sale of securities.

Working Capital Position

It is understood the company will not retire the present bank loans, though some reduction may be effected. In arriving at a net working capital of $6 millions, it is presumed that securities held by the company will be included as current assets. After taking care of the old bonds and creditors' claims, the company is not likely to net much more than $1 million from the sale of the new securities. Added to this current assets of $7,050,054 and marketable securities of $2,712,151, the company would have around $10.7 millions of current assets, as against current liabilities of nearly $4.9 millions at the end of last September, leaving a net working capital of close to $6 millions.

In effect the plan put forward capitalizes the old bonded debt, accrued liabilities in connection therewith, and creditor claims. It will undoubtedly be approved by the stockholders, as the plan is sponsored by interests either holding or representing a majority of the common and preferred shares.

Pacona Ltd. has made a formal offer to the trustee-in-bankruptcy of Price Bros & Co. for all property not specifically mortgaged under the trust deed securing the first mortgage bond; the goodwill and the right to use the name of the company; and for the lease made between the company and Price Realty Co.

In return Pacona offers to provide a sum sufficient to pay all the fees and expenses in connection with the bankruptcy; all of the unsecured creditors' claims up to an amount of $3 millions.

Preferred Opposed to Plan

R. H. Collis, chairman of the preferred shareholders protective committee of Price Bros. & Co., has rejected the plan put forward by Pacona Ltd. for the reorganization of the company.

In his letter of rejection, which was written two days before it was announced the company had made arrangements with a syndicate to raise capital to take the company out of bankruptcy, Mr. Collis said: "The committee has good reason to believe that a plan will be announced shortly providing for the removal of the company from bankruptcy and for a more advantageous result to its shareholders."

5% Tax on Nonresidents Modified For Corporations

Considerable benefits to corporations holding Canadian securities are extended in a regulation under the Income W[illegible] Act published in the current is[illegible] the Canada Gazette.

The change is chiefly concerned with the 5% tax on dividends and interest received from Canadian debtors by nonresidents of Canada.

All companies incorporated in Canada, and also companies incorporated outside Canada but which are licensed to carry on business in Canada and actually do so, are to be treated as residents for the purposes of this tax.

This means, for instance, that an English company receiving investment income from Canadian securities is exempt from the 5% tax provided it is licensed and actually carries on business in Canada. And a Canadian-incorporated company which does its business abroad is also exempt from this 5% tax.

The revision is made to section 9b of the act. Among other things, this section provides for imposition of an income tax of 5% on all persons who are nonresidents of Canada in respect of: (a) all dividends received from Canadian debtors, and (b) all interest received from Canadian debtors if payable solely in Canadian funds excepting interest on bonds issued or guaranteed by the Dominion Government.

Subsection 7 of section 9b formerly provided that for purposes of this tax "the Minister shall have full power to determine the persons who are deemed to be residents of Canada." C. Fraser Elliott, Commissioner of Income Tax, now announces that, for the purposes of the section, all companies incorporated in Canada shall be deemed to be residents of Canada; and that any company incorporated outside Canada but lawfully licensed to do business, and actually carrying on business in Canada, shall likewise be deemed to be resident in Canada.

Power Corp. On Dividend

Directors Declare 25-cent Payment on Common Stock

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada has declared an interim dividend of 25 cents a share on its common stock, payable Dec. 21 to shareholders of record Dec. 5.

This is the first dividend on the junior security since May 20, 1932, when a quarterly disbursement of 50 cents a share was made.

During the fiscal year ended June 30 last, Power Corp. reported earnings of 50 cents a share on the common, as against 42 cents a share in the preceding 12 months. At the same time equity back of the common was shown at $15.01 a share, as against $4.63 at the close of the 1935 year.

Robt. Mitchell Plan Approved

From Our Own Correspondent

MONTREAL. — Shareholders of Robert Mitchell Co. have approved a plan involving writing down the book value of certain assets as well as the book value of the capital stock, at the same time eliminating the revenue deficit from profit and loss account and reducing the balance from capital surplus account.

Under the proposal the book value of the capital shares is reduced by $713,714 from $1,763,714 to $1,050,000.

Changes in Balance Sheet

The balance sheet as at Aug. 31, 1936, showing the position before and after the adjustments, indicates investments will be written down $35,319, deferred charges $3,955 and net fixed assets $755,767.

On the liabilities side of the balance sheet, in addition to the reduction of book value of capital stock, surplus account will be reduced from $116,441 to $35,114. Surplus account was made up of a capital surplus of $396,259, less a revenue deficit of $279,818.

There is no change in the number of capital shares outstanding under the approved plan.

C.I.L. in Shape For Munitions

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd., is in a position to fill orders for explosives which may be given to it by the British Government, according to Sir Harry McGowan, chairman of Imperial Chemical Industrie~ Ltd., a director of Canadian Industries Ltd., and of several British banks and other organizations. "But I have not heard of any orders yet given to C.I.L." he continued, "although there are, of course, rumors that Britain will place munitions orders in the Dominion.

"My company touches on Imperial defense measures in a number of points," he said. "Imperial Chemicals, and its subsidiaries, is one of the world's largest manufacturers of explosives. In the event of need it could produce poison gas and all the other requirements of chemical warfare."

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EXECUTORS · TRUSTEES · FINANCIAL AGENTS

Hinde & Dauch On $1 Dividend

Pre-Christmas Payment of 25 Cents a Share Reflects Gains

Hinde & Dauch Paper Co. of Canada has restored the common stock to an annual dividend basis of $1 a share with declaration of a quarterly payment of 25 cents a share, payable Dec. 21 to shareholders of record Dec. 10. Previously the stock has been on an annual basis of 50 cents a share, the last quarterly payment having been 12½ cents Oct. 1.

In 1928 the company's shares were placed on an annual basis of $1 a share, and payments at this rate were continued throughout 1929. However, dividends were stopped in 1930 and were not resumed until 1934.

There is no guarantee of maintenance of the full rate of $1 a share, as dividends depend largely on earnings. However, these in 1935 amounted to $1.18 a share, compared with 80 cents a share in 1934. There has been improvement in sales in 1936, and this is expected to be reflected in earnings.

The company's working capital at the end of last year was $1.1 million, by far the highest level since the company's shares were floated in the Canadian investment market.

Brewers, Distillers Pays $1 of Surplus

Distribution of $1 per share to holders of the new $5 par value stock of Brewers and Distillers of Vancouver Ltd. will be made in the form of a return of capital, payable Feb. 1, 1937 to shareholders of record at Dec. 29, 1936.

The distribution of capital surplus follows conversion of the company's capital from 7,500,000 no par value shares into 750,000 shares of $5 par value. This was done to enable directors to inaugurate a regular dividend policy to yield a return of at least 8% per annum on the new $5 par shares "with reasonable expectation of additional distributions of profits by way of bonus from time to time, as the stocks of American type whiskies ... shall have been marketed," according to an official statement of the company.

Conversion of the share capital created a capital surplus which it is intended to distribute from time to time. The $1 payment is the first to be made. It is not yet known whether the payment is subject to Canadian income tax but the decision in that respect is pending.

Weston Declares Extra of 10 Cents

Payment of Jan. 2, 1937, to Total 30 Cents a Share

In addition to increased dividends this year, shareholders of George Weston Ltd. are to receive an extra dividend of 10 cents a share, payable Jan. 2, 1937 to shareholders on record Dec. 19, 1936.

The company in 1935 placed the shares on an annual dividend basis of 60 cents a share. With the payment on July 1, 1936, the rate was raised to 80 cents a share annually. The regular quarterly dividend of 20 cents a share is also being paid Jan. 2, 1937, so the total distribution on that date will be 30 cents a share.

Business Better

F. W. St. Lawrence, general manager, indicated recently that the company proposed giving further consideration to the dividend policy before the end of the year because of increased sales and improvement in earnings this year. For the first six months of 1936, net profits were stated to be 40% ahead of the same period of 1935. The improvement of over 50% in earnings in the second quarter was more than maintained in the third quarter, according to Mr. St. Lawrence. In 1935, earnings on the common stock amounted to $1.08 a share, and on the basis of official announcements for the first nine months of 1936, it would be possible for earnings to exceed $1.50 a share for the full year.

Can. Dredge Dividends Total $3 Per Share

Canadian Dredge and Dock has declared a dividend of $1 per share plus a bonus of $1 per share payable Jan. 2, 1937 to shareholders of record Dec. 15. With the dollar dividend in August this brings total dividend disbursements for the company year which ends Jan. 31, next, to $3 per share or the same as a year ago.

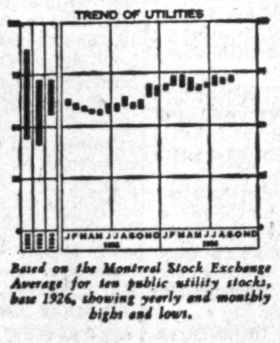
The recent declaration is generally interpreted as indicating that the company for the current year will report earnings probably close to those of the previous year when they equalled $5.02 per share.

Canadian Industries Ltd. Lowers Price of Cellophane

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. have put into effect a further reduction in the price of Cellophane. This is the ninth since commencement of manufacture in Canada.

Public utilities—



Based on the Montreal Stock Exchange Average for ten public utility stocks, base 1926, showing yearly and monthly highs and lows.

At certain times, utilities should not be purchased. At other times, they are the best medium for investment. Investors interested in utility securities are invited to consult us before buying or selling.

JOHNSTON AND WARD

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Montreal Curb Market
Canadian Commodity Exchange, Inc.

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ITS ECONOMY ESTABLISHES A NEW PEAK IN MOTOR CAR VALUES... ITS STYLING SETS THE VOGUE

YOU may have long wished to own a Pontiac. Now it can be yours! With its new outstanding features, distinctive "Silver Streak" styling, roominess, safety and dazzling performance, you can have the Pontiac "224" ... at lower prices than ever.

The new Pontiac "224" represents a further step in General Motors fine car program for 1937 ... further evidence of a deep-rooted policy to give the motoring public outstanding value for its new car dollar.

Pontiac "224" offers big car advantages at low first cost—bed-rock economy in operation and upkeep—more beauty, greater comfort ... more of everything you want at the price you want to pay.

Step inside—take a ride! Roll away from the curb with scarcely a ripple ... scarcely a sound to mark the start. Finger-tip steering, feather-touch braking and flashing acceleration make Pontiac the truly responsive car ... more flexible in traffic ... more restful on the road. Soar up the hills, level out the stretch. *Float* along, in perfect balance, at all speeds over smooth highway or bumpy country lane. Then give your praise to Pontiac ... with its improved Knee-Action gliding ride.

See—ride—then you'll decide that Pontiac is 1937's smartest buy! Let us tell you how easily ownership can be arranged ... with your present car as part payment and balance provided through the convenient terms of the General Motors Instalment Plan, with monthly payments to suit your purse.

PRICED FROM $910 (SPORT COUPE WITH OPERA SEAT)

Delivered at factory, Oshawa, Ont. Government taxes, license and freight extra

SEE, DRIVE AND COMPARE THE NEW PONTIAC MODELS ON DISPLAY AT YOUR LOCAL DEALER'S SHOWROOM.

Investment Trends

Caution Suggested In Common Stocks

Unimpressive Movement of Railroad Shares on Wall Street Gives Rise to Doubts — Contrasts Shown in Share Group Movements

Because of the powerful influence of fluctuations of stock prices in New York on Canadian markets, the unimpressive action of railroad shares on Wall Street continues to hold the attention of market analysts. The short-term trend of stock prices is regarded as uncertain because of recent weakness in the rail shares, followed by irregularity in industrials, and also because of the prolonged rise of prices this year, especially in the last three months.

Increased caution in making new purchases of common shares is suggested pending clarification of the near-term outlook for prices. One reason for this is that there is usually some irregularity in markets around the year-end, and dullness is generally the rule over the Christmas and New Year holidays.

Considerable improvement is reported in pre-Christmas retail sales, indicative of the improvement in national income in 1936. Prospects for further gains in Canada's total income in 1937 are regarded as good because of higher volume and prices for forest products, the possibilities of better crops and for building revival, and finally because other industries are expected to maintain this year's gains. Consequently, those observers who feel the stock market may be riding for a fall continue of the opinion that the longer-term outlook is favorable. Long term holdings, therefore, may well be retained by investors.

Recent strength in European currencies is attributed to some liquidation of securities from Britain and the continent on American markets. British share prices, however, have remained firm.

Where They Stand

MONTREAL Stock Exchange index for industrial shares recently made a new high above 100, but the Toronto Stock Exchange industrial average failed to follow. There does not appear to be news in immediate prospect to cause a further sudden upswing of prices, but considerable room remains for movement in individual stocks in adjustment to the general level.

Some striking differences in movements of various stock groups have developed in the advance since last August, and these are tabulated below:

Common Stocks by Groups (D.B.S. Indices, 1926 = 100)

Group:	Nov. 26	Aug.	Gain %
Pulp & paper	28.7	18.0	59.4
Iron & steel	164.5	128.5	28.0
Flour milling	109.9	89.8	22.4
Miscellaneous	428.8	351.3	22.1
Power & traction	80.0	67.1	19.2
Foods	179.3	157.1	14.1
Transportation	33.8	29.7	13.8
Textiles	73.9	68.0	8.7
Oils	230.0	218.9	5.1
Telephone & tel.	118.8	113.2	4.9
Beverages	138.1	135.7	1.8
112 companies	136.0	119.9	13.4

Since the figures for each group are based on 100 for the 1926 level, the figures show both the changes over the past 10 years and the recent movements.

Newsprint securities — the pulp and paper group—have been enjoying a remarkable recovery because of the improved prospects for the industry. One large institutional investor suggests that it is a good thing for the investing public to regain confidence in these issues.

Strength in iron and steel shares has been based partly on rearmament talk and hopes of munitions orders.

Flour milling shares have naturally benefitted from the improved outlook as to profits in the industry and on the possibilities of further gains over the earnings shown this year.

The listing "miscellaneous" covers a large group of companies, mostly merchandising and manufacturing. The rise in this group reflects the expansion of specialty industries in the 1920's and also the recent general business recovery.

Power stocks have recovered to some extent because they were depressed more than other stable equity securities, but also because of substantial improvement in power loads and company earnings.

Foods and transportation securities have not been able to do much better than the average. And clearly the lower groups, having gained considerably less than the average, are not in public investment favor for the moment. While there has been strength in whisky shares, this has been offset by the softer drink securities, accounting for the very small rise in "beverages."

* * *

Position of Oils

UNDOUBTEDLY nervousness of investors over the possibilities in the Pogue carbureter has contributed to the relative weakness of oil shares. Yet oil men have been buying oil stocks, and the situation in the industry is regarded as healthy. The Annalist, New York, outlines it:

"Production of crude petroleum has recently experienced a slight further advance, and it is possible that this influence has exerted a depressing effect upon the group. It is important to observe, however, that over the past 10 months demand has increased rather more rapidly than output, with the result that stocks have diminished. The general tendency of the situation is thus in a favorable direction and with continued expansion in the use of motor transportation it seems reasonable to expect that demand will continue to increase."

One widespread comment on the Pogue development is that if it becomes a reality it would expand the market for petroleum products immensely. Another aspect of the old companies' situation is the leasing of stations to operators. Hardware and Metal, Toronto, comments:

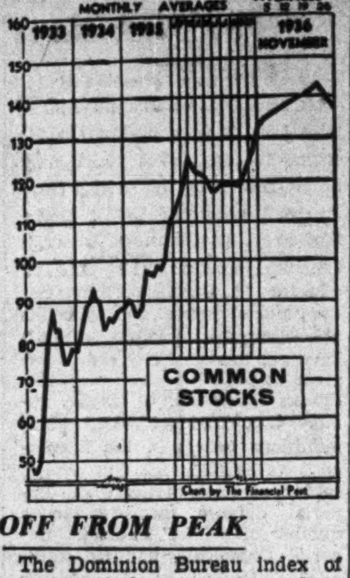
"An indication of what may be expected here is contained in reports from the United States. In the state of Iowa the plan of leasing gasoline stations to independent operators in order to escape confiscatory chain taxes, has brought some very unexpected results. Price-cutting, giving of premiums and other artificial stimulants have been adopted as regular practice, much to the distaste of independent jobbers and retailers. A very high degree of mortality among independent dealers has resulted. On the other hand, owing to the widening of the retail market, the oil companies have had sales increases as high as 300%. It appears therefore that the oil companies doing a wholesale business stand to gain by the broadening of the market due to lower prices, while escaping a great deal of the chaos which is bound to result from keener competition in the retail field."

It is noteworthy that weakness in oils has been most pronounced in Canada; that is, it is local to some extent.

Underlying Supports

ALMOST every favorable influence has contributed to the strength in stock markets this year. Increased earnings and dividends have been general, and low interest rates on prime bonds have continued to swing investors toward common shares where there is some chance of increasing income and possibly capital.

These basic features of a widespread economic recovery are expected to contribute to even higher stock market levels in the next few years, but the long-sighted view also is that increasing public speculation will eventually lead to another collapse. It may be several years away, of course, and while the main trend is upward the interruptions that can be expected should be of a temporary nature; not exceeding a few months.



OFF FROM PEAK

The Dominion Bureau index of common stock prices dropped to 136.0 for the week ended Nov. 26. This compares with 112.0 in the 1935 week. Comparative figures appear on this page.

Can. Hydro Profits Off

But Ontario Hydro Takes Another 20,000 h.p. from Gatineau

The Hydro-Electric Power Commission of Ontario is taking an additional 20,000 h.p. from Gatineau Power Co., controlled by Canadian Hydro-Electric Corp., from Dec. 1. This makes the Gatineau contract with the Ontario Hydro: 140,000 h.p. firm at $12.50, 32,000 h.p. stand-by at $10, 87,000 h.p. reserve at $1.75.

From Our Own Correspondent

MONTREAL.—Canadian Hydro-Electric Corp. net income available for dividends in the quarter ended Sept. 30, 1936, shows a relatively sharp reduction from that reported for the same period a year ago, owing to the contraction in revenue received by Gatineau Power Co. from the Hydro-Electric Power Commission of Ontario.

Deliveries were at the minimum basis under the Hydro contracts from May 1 to Nov. 16, 1936. On the latter date, however, the commission took delivery of an additional 20,000 h.p. under the 25-cycle contract and on Dec. 1 took another 20,000 h.p. This will mean an increase in revenue from the commission at the rate of $400,000 a year, practically all of which should be available for the Canadian Hydro-Electric first preferred stock.

Total income for the third quarter of this year was $1.9 million, compared with $2.4 millions in a like period in 1935. After all charges, including bond interest, depreciation, taxes, etc., the net profit for this period available for dividends on the first preferred stock was $234,788, as compared with $599,517 in the third quarter of 1935.

Can Earn Dividend

For the 12 months ended Sept. 30, 1936, the balance of earnings available for dividends on the Canadian Hydro's first preferred stock amounted to $1.5 million, as against over $2.3 millions for the preceding 12 months. Even after allowing for the reduction in revenue for the last quarter of 1936, it is apparent that the earnings on Canadian Hydro first preferred for all of 1936 will be approximately twice the amount required for dividends. In connection with the later, Gordon Gale, president, states that it is essential to conserve the resources of the corporation and for that reason, no action has been taken by the directors in regard to a declaration of current dividends on the first preferred stock.

Quarter Ended Sept. 30

	1936 $	1935 $
Revenue:		
Oper. income	1,927,369	2,359,505
Other income	23,225	23,834
Exch. profit	592	2,697
Total income	1,950,002	2,380,642
Expenses:		
Oper., etc.	226,486	224,791
Maintenance	68,235	57,921
*Sundry taxes	68,109	64,724
	362,831	347,437
Net income	1,587,171	2,033,205
Deductions:		
Bond interest	862,758	869,186
Deb. interest	243,513	262,306
Deprec., etc.	142,850	166,781
Amortization	86,212	87,414
Inc. taxes	17,048	48,000
Net profit	234,788	599,517

*Other than income taxes.

Investment Notes

Massey-Harris—Reports about munitions orders account partly for the continued rise of the company's shares. Such orders are denied repeatedly by company officials.

* * *

Canadian Canners—Some dissatisfaction is expressed by holders of the 6% first preferred shares that under the offer to buy shares at $105, from those who do not wish to take new 5% stock, shareholders do not get the accrual of dividends since Oct. 1. The meeting to consider the plan to issue five 5% shares of $20 each in exchange for each present 6% share of $100 is on Dec. 14. Shareholders wishing to accept the $105 must do so by Dec. 9. The accrued dividend is not offered to shareholders along with the call price of $105, so this is not a straight redemption.

* * *

Beatty Bros.—Pronounced recent strength in the class A shares is based on substantial and well-informed buying, and on improving business, rather than on the forthcoming annual statement. The report for the year ended Aug. 31, as stated in this column several weeks ago, will not show much change from the 40 cents a share earned in 1935. The statement is due any time now.

* * *

International Nickel—Sale of 4,300 shares, reducing holdings from 21,000 to 16,700, is reported for the months of July and August, 1936, by Atlas Corp., American investing company.

* * *

Paramount Pictures—Strength in the first and second preferred and in the common shares is due partly to expectations that the company may not make a heavy charge for inventory reserve this year. After crediting $1 million of last year's inventory reserve to operations, the net profit has been running about 75% of the 1935 level. Yet an increase in profits could be shown for the 1936 year by making a smaller charge against inventory than last year. This bookkeeping is somewhat puzzling for the investor.

* * *

Int. Petroleum—There has been a sort of comedy of errors in calculating earnings per share from the annual report for the year ended June 30, 1936. The correct figure is slightly over $1.65 a share, as reported by The Financial Post, some 12 cents a share of this coming from profit on sale of securities. This is based on the profit carried to surplus in the company's official statement. Last year's earnings were $1.49 a share, including about five cents a share of profit on sale of securities. One newspaper recently calculated $1.72 a share, in error, and a second newspaper copied the first, apparently without checking the arithmetic. Then another group of calculators started a debate over $1.65 a share and $1.53 a share, the latter figure omitting the profit on sale of securities.

* * *

Loblaw—F. P. O'Connor, president of Laura Secord Candy Shops, has denied unfounded rumors that he was acquiring large interests in Loblaw Groceterias. The rather wild rumors that have been circulating recently indicate the extent of uninformed investment.

* * *

B. A. Oil—There has been some impressive buying of the shares in the recent general weakness of oil shares on Canadian markets. One of the things that has apparently been depressing the shares is the Pogue carbureter, but oil men pay little heed to this. There is no truth in the rumor that a large insurance company has been liquidating its shares.

* * *

Cockshutt Plow—The fiscal year ended Nov. 30 without realization of the hopes of pronounced improvement held earlier this year when the western crop outlook was favorable. Sales and collections in Alberta have not been helped by the unusual legislation there. With only 300,000 shares outstanding, however, this implement company stands to get its full share of the benefits of any substantial agricultural recovery.

* * *

Canadian Westinghouse — These shares have advanced strongly to about 80 in the "unlisted" market. This is attributed to improved volume in the appliance division although the foundry division continues to operate below normal. This year's earnings are expected to improve substantially on the $1.58 a share shown in 1935. The dividend has remained at $2 a share since 1932.

* * *

Winnipeg Electric — Strength in both bonds and preferred and common shares of the company is based partly on activity of Manitoba Paper Co. This gives a substantial increase in revenue to Winnipeg Electric.

* * *

Variety—Osler & Hammond, Toronto and Montreal Stock Exchange firm, has published a booklet entitled "Foods, Steels, Oils, Liquors," summarizing the position and prospects of 29 companies. Among the comments are these:

Cons. Bakeries—"The development record of this company during the past few years has been progressive and sound."

Dominion Stores—"Once the company returns to profitable operations, it would not be long before dividends are resumed on the stock."

Laura Secord—"Improving general conditions suggest a higher trend of profits over the next few years."

Dominion Bridge—"As its business normally attains peak earnings in the later stages of a recovery, the outlook for the year just begun seems promising."

Dosco—"Earnings should continue the material recovery they have experienced from the low levels of the depression."

Page-Hersey—"It is expected that even greater improvement will be shown for 1936 and later when building construction gets into full swing."

Steel of Canada—"Continued earnings improvement will likely see a further reduction in the amount" (of common arrears).

Canada Bud — "Progress under present provincial legislation has been consistent and encouraging."

Distillers-Seagrams — "While the substantial expansion during recent years in producing capacity of the industry and in stocks of whisky constitutes a potential threat to maintenance of present price levels, officials believe that the company is in a relatively strong competitive position."

Walker-G. & W.—"It would appear reasonable . . . that shareholders have still better things in store for them."

F. N. Burt — "Can carry the $2 dividend on the common, even when not fully earned."

Hinde & Dauch — "Outlook continues good."

Imperial Tobacco—"The shares are well seasoned and are of investment character."

Moore Corp.—"There are good indications that 1936 earnings of this large consolidated enterprise . . . will be in terms fairly comparable with those of 1929."

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
October	151.9	21.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
Weekly Figures, 1936:										
Nov. 5	159.2	24.9	103.9	238.0	74.7	175.2	133.7	218.6	61.8	136.8
Nov. 12	162.0	26.5	105.9	240.5	75.2	179.3	139.2	223.0	62.7	139.4
Nov. 19	169.5	26.6	108.1	243.8	75.6	182.9	140.7	226.1	62.6	140.9
Nov. 26	164.5	28.7	109.9	230.0	73.9	179.3	138.1	217.7	61.1	136.0

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 1	156.12	146.42	177.52
Nov. 30	156.29	146.95	179.96
Nov. 28	156.57	146.26	179.83
Nov. 27	156.17	145.99	179.08
Nov. 26	153.84	144.78	175.29
Nov. 25	154.51	144.06	174.98
Month ago	154.45	137.84	172.63
Year ago	126.51	112.73	112.36
High, 1936	163.24	150.46	179.96
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 1	78.7	101.2	93.7
Nov 30	78.9	100.6	93.4
Nov 28	79.6	100.1	93.3
Nov 27	78.9	100.2	93.1
Nov. 26	78.7	98.0	91.6
Nov. 25	78.6	96.7	90.7
Month ago	80.6	89.7	86.6
Year ago	66.6	65.5	65.8
High, 1936	81.1	100.6	93.4
Low, 1936	67.2	69.5	68.9

NEW REO LINE

Reo Motor Co. of Canada has announced a new series of ½-ton and ¾-ton trucks. The new ½-ton model shown above is equipped with all-steel cab and safety glass and is available in four and six cylinders. It is available with 114- and 120-inch wheelbase.

Abitibi Plan Still Dubious; Too Early?

Reported Schemes Have Not Even Reached Negotiation

Persistent but unconfirmed reports about reorganization of Abitibi Power & Paper Co. are apparently responsible for the recent upsurge of the company's bonds to about 80.

Several plans are understood to be "in the air" but not near the negotiation stage, still less the completion. Persons closely informed on the company's affairs state to The Financial Post there have been no unusual developments to warrant special improvement in Abitibi bonds over some other newsprint issues.

Involved Situation

Three different schemes of reorganization are said to have been suggested privately. But larger bondholders are ordinarily among the first consulted in proposals of this sort and they have not been informed of any definite developments.

Another important consideration in any reorganization scheme is the 6% preferred stock. There are strong interests with investments in these shares and even if some reorganization were to be discussed by bondholders it might take considerable time and negotiation to appease holders of the preferred. Some of the shareholders feel that reorganization at this time would be premature and that it would be best to wait until the company has been able to rebuild its working capital from earnings.

Funds Required

It is believed the company would require substantial sums either in the form of new advances or from earnings to take it out of receivership and to improve its properties. As much as $10 millions is mentioned unofficially. Under any early reorganization, the raising of money might involve issue of new prior lien bonds and possibly equity securities to the lenders. This would place the present first mortgage bonds in a junior position which might raise opposition from many bondholders.

As reported by The Financial Post several weeks ago, there has been substantial improvement in earnings this year compared with 1935. Also the outlook for further improvement in 1937 is considered good. Last year's earnings were $1.2 million available for depreciation and bond interest. Without considering depreciation, this was slightly less than 2.5% on the $48.3 millions of 5% first mortgage bonds. If depreciation is charged at the former rate of about $1.7 million annually, however, the earnings were insufficient to cover it.

Although official information is not available on the point, it is believed earnings for 1936 may exceed the former depreciation charge. This would indicate a possibility of substantial earnings, after depreciation, on the bonds in 1937 because of the somewhat higher price for newsprint and larger volume of business in the company's mills.

Lake St. John Proposals Pass

Costs Reduced, and Income Showing Improvement This Year

Bondholders and debenture holders of Lake St. John Paper & Power Co. have approved unanimously the reorganization plan for the company. Only court approval is now necessaary to complete the scheme.

It was stated at the bondholders' meeting that the company's costs had been reduced 37½% since 1932, but that the maximum reduction had apparently been achieved. For the first 10 months of 1936 net income available for depreciation and interest was reported at $601,997. Production was 67,735 tons, which is at the rate of over 81,000 tons annually.

Could Cover Charges

Maintenance of the same rate of production and earnings for the full year would result in income of $721,097 available for depreciation and interest. This compares with $578,078 in 1935. Interest charges on the new first mortgage bonds and debentures will total about $487,000 annually. Last year's depreciation charge was $219,000.

Under the reorganization plan, holders of first 6½% mortgage bonds, for each $100 of principal, will receive $120 of new 5½% bonds, $2.50 in cash for interest to June 30, 1936, and one-fifth share of common stock.

Holders of the 6½% debentures, for each $100, are to receive $125 of new 5% debentures, $2 for interest to June 30, 1936, and one-half share of common stock.

Holders of the 7% preferred stock are to receive share for share of new 6% non-cumulative preferred and 51,469 of the 100,000 new common shares. Holders of the old common are to receive one-quarter share for each share held.

Five voting trustees, three representing bondholders and two representing debenture holders, will be entitled to elect five of the seven directors up to Jan. 1, 1943. Up to that date interest on the new 5% debentures is to be payable only if earned, and the voting trust may be terminated earlier if a full two years' debentures interest and arrears is paid up.

The redistribution of common shares gives the majority control to St. Lawrence Paper Mills Co. as owner of the preferred rather than to its parent holding firm, St. Lawrence Corp., which holds 99.2% of the old Lake St. John common.

United Amusement Corp. Declares Bonus on Stock

From Our Own Correspondent

MONTREAL.—Directors of United Amusement Corp. have declared a dividend of 30 cents a share, plus a bonus of 10 cents, on the A and B stock, payable Dec. 15 to shareholders of record Nov. 30. This contrasts with a dividend of 30 cents a share paid on June 15 last.

Federal Light Seeks Control

New Brunswick Power Preferred Holders Bid $10 a Share

From Our Own Correspondent

MONTREAL.—In order to secure full voting control of New Brunswick Power Co., holders of the company's 7% preferred stock have been offered $10 a share by Federal Light and Traction Co. of New York.

Federal Light already hold the common stock and part of the preferred, and, in addition, have made advances of nearly $2 millions to the company on capital account. Voting control of New Brunswick Power, however, is vested in the preferred stock, of which there are 10,000 shares outstanding.

Federal Light's stake in the preferred is not enough to give it control over management and policy, to which it feels it is entitled, due to the heavy indebtedness of New Brunswick Power for capital advances.

Sale is Recommended

The offer to purchase the preferred has been made through a protective committee, set up by the preferred stockholders some years ago. A letter has been sent out by the committee recommending acceptance of the offer, it being pointed out that in view of the approaching maturity of the company's bonded indebtedness, it would appear that the status of the preferred stock is "in a precarious position."

For several years past, New Brunswick Power Co.'s earning power has not been barely sufficient to cover interest on bonds and advances by the Federal Light and Traction. The last full dividend on the first preferred was paid in 1924. From 1925 to 1931 part of the dividend was paid, but since then dividends have been deferred.

Compete With City

This situation has largely been due to competition from the municipally-owned hydro-electric system. Negotiations were started to have the company buy out the city's system, or for the municipality of Saint John to purchase the New Brunswick Power. These negotiations were not successful.

Meanwhile the company faces the prospect of redeeming over $1.5 million first mortgage bonds, which mature March 1 next. In view of the present situation, some difficulty may be experienced with a new issue, in which event the parent company may feel obligated to take care of the bond maturity to protect its own equity in the property.

Pressed Metals Pays $1 a Share

Total Dividends $2.12½ a Share from 1936 Earnings

Pressed Metals of America Inc. has declared a dividend of 50 cents a share and an extra of 50 cents a share, the total of $1 a share payable Dec. 22 to shareholders of record Dec. 17. The shares will sell ex-dividend, however, on Dec. 16. Canadian shareholders receive dividends less 10% U. S. tax on payments to holders abroad. The payment reflects high earnings and is also partly attributable to U. S. taxes on undistributed profits.

Owing largely to active demand for automobile parts which the company supplies to leading car manufacturers, earnings and dividends have increased impressively. Cash dividends were resumed, after a lapse of more than three years, with a payment of 12½ cents a share Oct. 1, 1935. Payments were 25 cents a share on Jan. 1, 1936, and 37½ cents a share on April 1, July 1 and Oct. 1, 1936. Payments from this year's earnings will total $2.12½ per share.

Earnings of the company amounted to $1.60 a share in 1935, compared with 36 cents a share in 1934 and 23 cents in 1933. Deficits had been recorded in 1930, 1931 and 1932.

The company's plant is operating at capacity 24 hours a day and prospects are stated to be satisfactory.

Diversified Canadian Bonds

Our latest Review and Bond List contains a diversified selection of Canadian Bonds including Government, Municipal and Corporation securities. Current conditions and the bond market are reviewed.

Write for copy of December Review and Bond List.

Wood, Gundy & Company Limited
36 King Street West Toronto
Toronto Montreal Winnipeg London, Eng. TELEPHONE: ELGIN 4321 Ottawa Hamilton Vancouver London, Ont.

WARMTH without bulk in these smart shirts and shorts for winter wear. Made of very light weight finest quality Botany wool, and mixtures of wool and cotton. Soft and non irritating to the skin. Tailored throughout to well-known TURNBULL standards. Popular prices.

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Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

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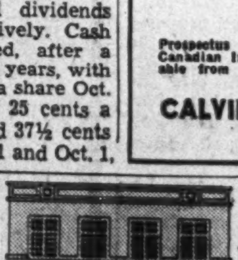

MINES AND INDUSTRIALS

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INVESTMENT SUGGESTIONS

To yield from 2.99% to 5.88%

For the immediate re-employment of interest and dividends, or for the investment of new funds, we recommend the following securities which embody safety of principal, ready marketability, and a good income return:

	Rate	Maturity	Price	Yield
Dominion of Canada	3%	1966/Perp.	97.00	3.09%
Province of Quebec	3%	1951	100.15	2.99%
Province of Nova Scotia	3¼%	1956	101.00	3.18%
Province of New Brunswick	3%	1951	98.00	3.17%
Canada Atlantic Railway	4%	1955	100.50	3.96%
†Canadian Pacific Railway	3%	1945	96.00	3.52%
Gatineau Power Company	5%	1956	103.00	4.75%
†Great Britain and Canada Inv.	4½%	1959	88.50	5.39%
Power Corporation of Canada	4½%	1959	101.75	4.37%
Union Gas Company of Canada	4½%	1950	100.00	4.50%
International Bronze Powders	6% Part. Pref.		Market	4.62%
Power Corporation of Canada	6% Part. Pref.		Market	5.88%
Southern Canada Power	6% Part. Pref.		Market	5.66%

†Convertible

NESBITT, THOMSON & COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

Bond Markets

Seasonal Doldrums Felt in Bond Trade

Cost of Treasury Bill Financing Advances — Western Provincials and Newsprint Issues Feature Market

Seasonal doldrums seem to be taking hold of the high-grade bond market. Trading activity has been at a low ebb and as a result the recovery movement which has been under way for several weeks received a check. Prices, however, are again showing a slight upward tendency.

Western provincials, with the exception of Alberta issues, continue to feature the government list. Improvement in demand has resulted in further advances for British Columbia, Saskatchewan and Manitoba bonds. Alberta bonds have remained steady.

Strength has been evident in the corporation list, with newsprint issues a feature. Outstanding has been Abitibi Power and Paper 5's which have advanced another 5½ points to 79½. This is an advance of 12 points in two weeks. Speculative interest in these bonds, resulting from rumors that a reorganization plan will be announced in the near future, is substantial.

Announcement has been made that Quebec Power Co. has applied to the Quebec Electricity Commission for authority to refund its 5% bonds with a 4% issue. It is understood there may be some delay in bringing out the issue because of the fact that the present bonds carry a gold payment clause. In light of the recent gold clause decision in Great Britain considerable uncertainty exists as to the position of these and other gold clause bonds.

City of Montreal bonds have strengthened, demand being good in the face of light offerings.

Bond Financing

BOND financing of Canadian Governments and corporations amounted to the huge total of $751 millions in the first 11 months of 1936, according to a compilation by Dominion Securities Corp. This is an increase of $165 millions over the corresponding period of 1935. Excluded from the total are sales of Dominion of Canada treasury bills amounting to $440 millions, compared with $258 millions in the first 11 months of 1935.

Indications are that sales in the current year will be higher than in any year since 1918 with the exception of 1931. Bond financing in 1931 reached the huge total of $1,250 millions as a result of the Dominion Government conversion loan of $643 millions. Total financing of the Federal Government in that year was $861 millions.

The increase in the current year has been due to refunding operations of Canadian corporations which have taken advantage of continued ease in money rates.

Substantial saving in interest has resulted to the borrowers concerned. The general improvement in business has also been a factor.

Financing by the Dominion and Provincial Governments has been substantially lower than in 1935, while municipal financing has shown an increase of about $10 millions.

Details of sales classified as to borrowers are given in the table below:

Sales of Canadian Bonds
11 Months Ended Nov. 30

	1936 $	1935 $
Dom. of Canada...	*282,335,000	*346,000,000
Provincial	68,874,000	120,657,000
Municipal	43,519,471	33,801,800
Public Utilities	116,175,000	10,888,000
Railways	133,000,000	48,400,000
Industrial & misc.	107,143,924	26,638,600
Total*	751,047,395	586,385,400

*Not including Dominion of Canada treasury bills of less than one year. These amounted to $440,000,000 as compared with $258,300,000 in the same period of 1935.

* * *

Treasury Bills

THE cost of short-term financing to the Dominion Government is on the upgrade. The issue of $20 millions of three-month treasury bills sold on Nov. 30 to Canadian banks was the fifth consecutive issue which has recorded an advance in cost over the previous issue. The issue was sold at a price of 99.811149, which gives a cost basis of 0.766%.

The trend in the cost of treasury bill financing since March, 1934, is indicated below:

Treasury Bills

	Cost %
March, 1934	2.85
March, 1935	1.763
July, 1935	1.223
October, 1935	1.411
December, 1935	1.198
April, 1936	0.879
June 15, 1936	0.838
July 15, 1936	0.737
Aug. 15, 1936	0.689
Sept. 15, 1936	0.642
Sept. 30, 1936	0.686
Oct. 15, 1936	0.702
Oct. 30, 1936	0.730
Nov. 15, 1936	0.749
Nov. 30, 1936	0.766

Municipal Bond Sales

WITH the end of the year approaching, a considerable amount of financing on the part of municipalities has developed.

In recent sales is definite evidence of the advantages of sound fiscal policies, some municipalities being able to sell 3½%, 4% and 4½% bonds at a premium.

A case in point is the city of St. Catharines which has sold an issue of $150,000 of 3½% bonds, due 1937-66, and $20,000 of 2½% bonds, due 1937-41, at a cost basis of 3¼%. So great is the demand for this city's bonds that there were 20 bids for the issue. If its bonds were callable, this city would have no difficulty in refunding its entire debt at a lower rate of interest.

Another example of the benefits accruing from sound fiscal policies is the recent sale of $142,000 of the village of Swansea 4½% bonds. These bonds were originally issued in 1932 with a coupon rate of 6%. Because of the unsettled condition of the market the debentures were not sold but were hypothecated with the bank against a bank loan. This year the village applied to the Ontario Municipal Board for permission to reduce the rate, and recently was successful in disposing of the issue at a two-point premium.

* * *

Market Trend

MINNESOTA & Ontario Paper 6's have advanced 4½ points to 53 and Consolidated Paper 5½'s 1¾ points to 65½.

Great Lakes Paper 5's eased off 2½ points to 80 on announcement that bondholders will be asked to postpone interest due April 1 next, as well as the payment which was due Oct. 1 last.

Massey-Harris 5's have risen one point to 92½.

The trend of the high-grade bond market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Gov't Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Dec. 1	116.41	3.076	Nov. 30	111.55	3.607
Nov. 30	116.34	3.084	Nov. 29	111.55	3.607
Nov. 28	116.23	3.099	Nov. 28	111.71	3.593
Nov. 27	116.23	3.099	Nov. 27	111.53	3.610
Nov. 26	116.18	3.100	Nov. 26	111.38	3.624
Nov. 25	116.14	3.103	Nov. 25	111.32	3.627
Nov. 24	116.21	3.099	Nov. 23	111.61	3.604
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Bond Redemptions

Bond issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1'37	100
Riordon Pulp	‡6%	1942	Dec. 31	105
Mississippi River	*5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do C	5½%	1958	Jan. 1	103
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
New Eng. Power	5%	1951	Jan. 1	105
Indust. Accept. A	6%	1940	Jan. 25	105
Col. Steamships	†6%	1941	Jan. 1	...
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor Com.	4½%	1955	Mar. 1	105

For sinking fund: ‡$81,000. ▲$100,000. *$155,000 *Maturing from Aug., 1937, to 1953. †$33,000.

Stock issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42
Chas. Gurd.	7%	Pref.	Dec. 4	†

†Tenders called for $10,000.

CANADA,
PROVINCE OF QUEBEC,
DISTRICT OF THREE RIVERS

CITY OF THREE RIVERS

Loan of $169,400.00

PUBLIC NOTICE is hereby given that the Council of the City of Three Rivers will receive until the fourteenth day of December, 1936, at four o'clock P.M., at the office of the undersigned, written sealed tenders, endorsed "Tender for the City of Three Rivers Bonds," for the purchase of said City of Three Rivers Bonds, amounting to One Hundred and Sixty-Nine Thousand and Four Hundred Dollars ($169,400.00), issued under By-Laws Nos. 116, 117, 118, 120, 121 and 122 duly approved according to law and dated 1st November, 1936, and redeemable by series of annual payments, during thirty years from their date.

The above bonds will bear interest at the rate of 3½% or 4% per annum, payable semi-annually, on the 1st of May and the 1st of November of each year. Both the principal of these bonds and the interest thereon will be payable at the holder's option, at the chief office of the Banque Canadienne Nationale, in the City of Montreal, or at any of the branches of the said bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

The Bonds will be issued in denominations of $100.00 or multiples of $100.00 at the purchaser's option.

Separate prices will be considered for bonds bearing interest at the rates of 3½% or 4% per annum.

The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the 14th of December, 1936, at eight o'clock P.M., or so soon thereafter as the Council or its Committee can do so.

Each tender must be accompanied by a certified cheque from a chartered bank of Canada payable to the order of the City of Three Rivers, equal to 1% of the par value of the Issue The cheque of the tenderer whose offer is accepted shall be handed to him after the completion of his contract without interest.

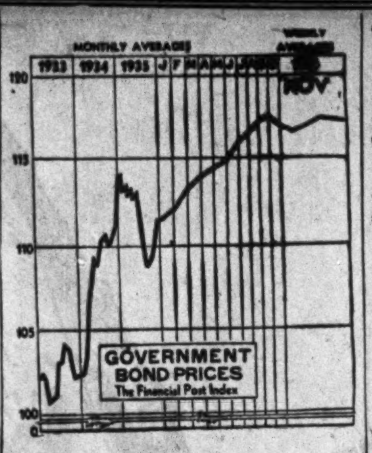
The accrued interest on the bonds must be added to the price of the bonds at the time of their delivery.

The City of Three Rivers reserves the right to reject any or all of the tenders or to accept in whole or in part any of the tenders.

Particulars of the issue and table of maturities of the bonds may be secured on application to the undersigned.

JACQUES DENECHAUD,
Treasurer of the City of Three Rivers.

City Hall, Three Rivers, P.Q., 28th November, 1936.



Quebec Power To Call Bonds

Asks Commission Approval for New 4% Issue

From Our Own Correspondent

MONTREAL.—Redemption of the outstanding bonds and their replacement with a new issue of 4% bonds, is indicated in the application which Quebec Power Co. has made to the Quebec Electricity Commission.

Approval is asked covering an issue of series C 4% first mortgage and collateral trust sinking fund bonds up to $13,522,132. The new bonds will mature in 25 years and be payable as to principal and interest only in Canadian funds.

At the end of last year Quebec Power had outstanding $7,987,500 of the series A bonds; $3,748,133 of the series A debentures; and $435,000 of the series B bonds. The maturities range from 1968 to 1972 and all carry a 5% coupon, as well as being payable in Canadian, American and English funds.

Advantage to Company

The series A bonds and debentures are callable on 30 days notice at 103½ and accrued interest, while the B bonds are callable on 30 days notice at 104 up to Jan. 2, 1937, and at 103½ for the next five years.

The bonds will not be called until after the turn of the year. The principal advantage to the company from the new financing, will be the elimination of the three-way pay feature in the present bonds.

Mont. Debenture Offers New Plan

From Our Own Correspondent

MONTREAL.—Holders of the 15-year 6% general mortgage income bonds of Montreal Debenture Corp., subsidiary of Canadian Terminals system, have been notified that a meeting will be held Dec. 22 in Montreal to consider a proposal for further changes in the capital structure.

The plan now advanced by the company is to convert all bonds, and rights attaching thereto, into cumulative preferred stock, on the basis of one share of preferred of the par value of $5 each for $100 par value principal amount of bonds.

Income and Capital

It is proposed to pay out of each year's profits, a dividend on the preferred which would equal the interest the holders would have received had they retained the bonds. In the event of liquidation, the holders of the preferred will be paid an amount equal to the par value of the bonds exchanged.

The proposed preferred stock is limited to the number of shares necessary to complete the conversion.

The notice calling the meeting indicates that no compensation will be given for arrears of interest on the bonds which now amount to a substantial figure.

Harbor Commission To Refund 4½% Bonds

Toronto Harbor Commission 4½% bonds due Sept. 1, 1953, have been called for redemption at 105 and accrued interest on March 1, 1937. There are approximately $19 millions of these bonds outstanding, which are guaranteed by the city of Toronto.

Funds for redemption will be provided through the sale of a new issue of about $20 millions carrying a lower coupon rate. Details of this issue are not available, but the redemption notice states that particulars of the proposed new issue and the terms on which present bonds may be exchanged for new bonds will be available on or about Jan. 15 next. The new issue will mature not later than Sept. 1, 1953.

Brown Co. Statement Now Being Prepared

From Our Own Correspondent

MONTREAL.—A detailed survey of the position of the bankrupt Brown Co., pulp operators in the United States and Canada, will be forthcoming probably before the end of the year, according to a letter sent out by Stanley Stanger, representative of the New York committee, to Canadian holders of the 5½% first mortgage bonds of the Brown Co.

Tamblyn's Declares Preferred Dividend

G. Tamblyn, Ltd. has declared an initial quarterly dividend of 62½ cents a share on its new 5% preference stock. The dividend is payable Jan. 2, 1937, to shareholders of record Dec. 19, 1936.

The initial quarterly dividend of 20 cents a share on the new common stock of the company is payable Jan. 2, 1937, to shareholders of record Dec. 24, 1936.

Bond Tenders

5 p.m., Dec. 10, Montreal West—$210,000, 3½% bonds dated Nov. 1, 1936, redeemable serially from Nov. 1, 1937, to 1956. Chas. I. Fraser, sec.-treas.

To Dec. 7, Laval sur le Lac, Que.—$46,000. H. Gohier, sec.-treas., 10 Saint James St. W., Montreal.

5 p.m., Dec. 14, Buckingham, Que.—$50,000, dated Nov. 1, 1936; 3½% until Nov. 1, 1946; 4% from 1946 to 1956. H. J. Gorman, sec.-treas.

4 p.m., Dec. 14, Three Rivers—$169,400, 3½% or 4%, dated Nov. 1, 1936, redeemable serially to 30 years. Jacques Denechaud, treas. (See announcement on page 5).

'36 Dividend Payments $28.7 Millions Above '35

Increase 86.3% Over 1933, the Lowest Year of the Depression — Approaching Peak Level of 1930

Using dividend payments as a unit of measurement, Canada would appear to be well advanced on the road to prosperity.

Reflecting the improvement in business conditions, dividend payments of Canadian corporations in 1936 will be the second highest in history, only being exceeded by the record year 1930.

Total disbursements in 1936, including declarations for the months of December, amount to $250.8 millions, an increase of $28.7 millions over 1935.

Compared with 1933, the depression year in which economic activity and dividend payments were the lowest, the increase is $116.2 millions or 86.3%.

It is possible that the total for the current year will be even higher than at present indicated. Only payments and declarations up to Dec. 1 are included in the total. Experience has shown, however, that a number of companies declare year-end dividends after Dec. 1. Such declarations in 1935 totalled $9.1 millions.

Total disbursements in the record year of 1930 were $284.6 millions. Assuming that such companies as Consolidated Mining and Smelting Co. follow their 1935 policy and declare a year-end dividend it is possible that the 1936 total will come within $25 millions of the record figure.

Further Increase Next Year

Provided business continues to improve it is possible that 1937 will break all records for dividend payments by Canadian companies. Several factors indicate that there will be a further increase in payments. A number of companies have already declared higher year-end dividends payable early in January and others are increasing their payments on account of preferred dividend arrears. Furthermore, several companies increased their quarterly dividends late in 1936 and the full benefit of these increases will not accrue until 1937.

Bond Interest Down

While dividend payments have increased, bond interest payments have declined. This reflects refunding operations carried out by corporations and governments in order to take advantage of the prevailing low cost of money. Total bond interest paid in 1936 amounts to $397 millions, a decline of $9.5 millions from 1935. Corporation bond interest amounts to $92.6 millions, compared with $98.6 millions in 1936. This item will show a further decrease in 1937 as a result of refunding operations carried out in 1936.

Records compiled by The Financial Post show that dividend payments in 1936 were higher than in 1935 in every month except May and August.

Mining Dividends Important

Initial dividends, extras, payments on arrears of preferred dividends and increased disbursements have all contributed to the increase. A number of companies have also re-entered the dividend paying list after several years absence.

Dividends by mining companies have been a large factor in the increase. Over half the companies making initial payments this year have been mining concerns and in addition others have increased their payments to shareholders. Among the latter the most important have been the higher payments by Lake Shore Mines, Noranda Mines and International Nickel. The increase in mining dividends is a reflection of continued activity as a result of the increase in the price of gold and also of the higher prices prevailing for base metals.

Industrial Dividends

Another important group contributing to the increase has been industrial companies of all kinds. Higher earnings on the part of many industrial companies have enabled them to increase their disbursements to shareholders. In a great many cases these have taken the form of payments on arrears of preferred dividends.

Financial institutions such as banks, insurance companies, trust and mortgage companies have not been as fortunate as other types of companies, and as a result these companies did not assist in swelling the total. Dividends paid by the chartered banks remained exactly the same as in 1935. Disbursements by the insurance companies showed little change although Crown Life paid an extra dividend of 25% and Sovereign Life failed to make its usual payment.

Among the trust companies, the Chartered Trust and Executor Co. paid $4 a share, the first it had paid since 1932. Maritime Trust Co., increased its dividend as did the Royal Trust Co. These increases, however, were offset by reductions in dividends by Huron and Erie Mortgage, Guaranty Trust, Montreal Loan, Toronto General and Trusts and Guarantee.

Dividend declarations for the month of December total $68.2 millions. This compares with payments totalling $66.7 millions made in the corresponding month of 1935. It should be noted that the $68.2 millions only includes declarations made to date and that the total for the month will probably be considerably higher.

Companies which have declared extra dividends payable in December are Andian National, Electrolux Corp., Hollinger Consolidated, Imperial Oil, International Petroleum, Lake Shore Mines, McKenzie Red Lake Gold Mines, Royalite Oil, Canada Malting Co. and Pressed Metals Inc.

Initial dividends are being paid on the common stock of Acadia Sugar Refineries and Charles Gurd & Co. Payments are being resumed on Canadian International Investment Trust preferred and Power Corp. common.

Payments on arrears are being made on Melchers Distilleries class A stock and on Lake of the Woods Milling Co. preferred.

Increased disbursements are being paid on Anglo-Canadian Telephone A stock, Associated Breweries common, Hamilton United Theatres preferred, Consolidated Diversified Standard Securities preferred and International Nickel common.

Loew's London Theatres Dividend 17½c. on Pref.

Loew's London Theatres has declared a dividend of 17½ cents a share on the $10 preferred shares for the quarter ended Sept. 30. The payment is to be made Dec. 15 to shareholders of record Dec. 1.

The last previous payment was 35 cents a share last May 30. No dividends were paid in 1935, but the full 7% dividends of 70 cents a share were paid in 1934.

For the year ended Aug. 29, 1935, earnings amounted to 15 cents a share on the preferred, compared with 36 cents a share for the 20 months ended Aug. 30, 1934.

Montreal Island Power Lawsuit in Last Stages

Hearing of the Supreme Court suit of Joseph M. Pigott, at Hamilton, against the firm of Nesbitt, Thomson & Co., investment dealers, has been adjourned temporarily. Argument of counsel will be heard at a later date in Toronto.

Canada Northern Power Services Widen in October

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports a power output in October of 51.5 million kw.h., an increase of over 1.1 million kw.h. compared with the same month last year. Cumulative returns for the 10 months ended October show total production of 490 million kw.h., an increase of 12.3 million kw.h. over the same period in 1935.

During October Canada Northern Power added 241 new customers to the system, bringing the total to 17,067 at the end of the month, compared with 15,535 at the end of October last year.

Foreign Exchange

Feature of exchange markets last week was the strength of most other currencies against the American dollar. This was attributed largely to the announcement of United States' authorities that measures might be taken to stem the flow of funds to that country from Great Britain and Europe. Despite this announcement, however, capital continues to be directed to the U. S. although in reduced volume.

The French situation is unchanged. While spot quotations for the franc have been firm, futures are at a substantial discount, indicating lack of confidence in the economic prospects.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Nov. 24	Nov. 25	Nov. 26	Nov. 27	Nov. 28	Nov. 30
U. S. Dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99⅞	.99[illegible]
Low	.99[illegible]	.99[illegible]	.99¾	.99¾	.99[illegible]	.99[illegible]
1935 High	1.00[illegible]	1.01	1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01[illegible]
Low	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.01	1.01[illegible]
U. K. pound	4.88¾	4.88⅝	4.88¾	4.88⅝	4.89¼	4.90
Argentine	.2776	.2782	.....	.....	.....	.....
Australia	3.9014	3.9024	3.9021	3.9020	3.9025	3.9020
Austria	.1866	.1871	.1871½	.1871	.1872½	.1872
Belgium	.1688	.1688	.1690	.1687	.1688½	.1686¼
Brazil	.0594	.0580	.0584	.0588¾	.0584	.0595
Czechoslovakia	.0354	.0354	.0355	.0353½	.0354	.0353½
Denmark	.2182½	.2183¼	.2185	.2182¼	.2184¾	.2188½
France	.0465	.0464⅝	.0465	.0464¾	.0465½	.0465
Germany	.4016½	.4035	.4027	.4015¼	.4019	.4017¾
Greece	.0089¾	.0089¾	.0091	.0089¾	.0089¾	.0089¾
Holland	.5412	.5410	.5417	.5416⅛	.5424	.5436½
Hungary	.1977	.1977	.1984	.1975⅝	.1977½	.1977
India	.3723	.3717	.3717	.3722	.3724½	.3700
Italy	.0526	.0526	.0527	.0525½	.0528	.0525¾
Japan	.2853	.2857	.2857	.2855¾	.2858½	.2858
Jugoslavia	.0233	.0233	.0235	.0233	.0233¼	.0233
New Zealand	3.9228	3.9337	3.9336	3.9250	3.9375	3.9435
Norway	.2457	.2456	.2459	.2456⅛	.2458½	.2463
Poland	.1884	.1884	.....	.....	.1883	.1883
South Africa	4.8820	4.8833	4.8629	.....	.....	.....
Sweden	.2521	.2520	.2523	.2520½	.2523½	.2527
Switzerland	.2295	.2294	.2297	.2293½	.2296	.2295
Hong Kong	.3055	.3050	.3045	.3055½	.3053	.3055

Municipal Finances

St. James, Man., reports a reduction of $123,765 to $3,971,520 in its 1937 assessment. The assessment is made up as follows: Property, $2,866,855; personal property, $227,105; land values, $877,580.

* * *

Westmount, Que., reports the adoption of its 1937 budget estimating a surplus of $4,785. Total revenues are estimated at $1,351,116 and expenditures at $1,346,430. The general tax rate has been set at $13 per $1,000 of assessment.

* * *

Notre Dame de la Dore, Parish, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Dec. 1 and Dec. 20, 1934.

* * *

Yarmouth, N.S., has been authorized to issue $120,000 of 3½% 25-year sinking fund debentures, proceeds to be used in the erection of a new school.

* * *

Jonquière, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Dec. 1, 1936.

Con. Amusements Raises New Cash

Proceeds of Bond Issue Will Strengthen Balance Sheet Position

From Our Own Correspondent

MONTREAL. — René T. Leclerc Inc., Credit Anglo-Francais and Comptoir National du Placements are making a joint offering of $625,000 of 5% first mortgage serial bonds of Confederation Amusements Ltd. at 100 and accrued interest.

Proceeds will be used by the company to retire the outstanding $325,000 6½% bonds, to pay off $133,000 owing on the Empress and Outremont theatres, with the balance as working capital.

Particulars of the issue follow:

$625,000
Confederation Amusements Ltd.
5% First Mortgage Bonds
Redeemable Serially one to 20 Years

Dated: Dec. 1, 1936. **Due:** Dec. 1, 1937-56

Both principal and interest are payable in Canadian funds only. Bonds are callable in whole or in part on two months notice at 103 up to Dec. 1, 1941; 102 up to Dec. 1, 1947, and 101 thereafter to maturity.

Company: Operates a chain of six motion picture theatres in Montreal and district, having a seating capacity of 7,000.

Revenue: Net income after deduction of administration charges totalled $78,256, compared with interest requirements of $31,250 on this issue.

Security: Bonds are secured by a first mortgage on the building and property of the Cartier, Maisonneuve, Chateau, Empress and Outremont theatres, and a first charge on all other assets of the company.

Insurance: All buildings of the company are adequately covered by insurance.

Offered: By René T. Leclerc Inc., Credit Anglo-Francais and Comptoir National du Placements, at 100 and accrued interest.

MacDowell Heads Chemical Research

Proxy Battle Results in Changes in Executive Management

Lieut.-Col. T. W. MacDowell, V.C., Montreal, was elected president of Chemical Research Corp., Detroit, at the recent annual meeting, following a battle for proxies. This removes F. F. Beall, Detroit, from the position.

Election of other new directors and officers changes the executive management of the company. It is understood that new officials intend to issue more information to investors in the company.

New Officials

Besides Lieut.-Col. MacDowell, new directors are Robert Fennell, K.C., Toronto and A. J. Groesbeck, Detroit. They replace Hon. G. A. Miller and M. L. Brown, both of Detroit.

Directors re-elected were A. W. Wallace, Walter Tant, Frank Kuhn, H. H. Emmons, all of Detroit, and Eric B. Johnston, Toronto. Vice-president is A. W. Wallace in place of M. L. Brown, and Mr. Brown becomes secretary-treasurer in place of H. H. Emmons.

Gyro Statement

A. J. Groesbeck has been appointed president of the Gyro Process Co., subsidiary of Chemical Research Corp. No financial statement was issued covering the current operations of Gyro Process Co., but it is understood this will be given to shareholders at a meeting which has been called for Dec. 19. It is also hoped that, at that meeting, directors will be able to inform shareholders of a new revised contract with the Patent Club.

A suit against the previous management of the company, the Patent Club and Alco Products Inc., entered some time ago by J. R. Ravelle of Toronto, has been dismissed by the United States court on the ground that Mr. Ravelle was not a shareholder at the time of the alleged acts. Walter Tant, of Detroit, a director, has re-filed the suit and it is now in abeyance awaiting adjustment with the Patent Club of the company's claims. The suit is stated to be for $30 millions.

Bondholders Purchase Staveley Apartments

Offer of the bondholders committee of $52,100 for Staveley Apartments, Toronto, it is understood, has been accepted, though details as to proportion of cash and new securities involved in the transaction have yet to be worked out. The purchase will be made under judicial sales proceedings. The offer, which is subject to court approval, would take the property out of receivership.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
St. Jerome, Que.	Nov..	Banque Can. Nationale	3½%	1937-45	$17,000	99.76	3.55%
Halton County	Nov...	J. L. Graham & Co.	3%	......	5,000	100,037	2.987
St. Catharines	Nov...	Wood, Gundy & Co.	3½%	1—30 yrs.	150,000	102.20	——
			2%	1—5 yrs.	20,000		
Dominion—							
Canada Treasury Bills	Nov...	....	...	Mar. '37	20,000,000	99.81	.766%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Loretto Ladies Colleges and Schools	Nov...	Harris, MacKeen, Goss & Co.	4%	1937-51	$618,000	100	4%
Stock Issues:							
Kenland Gold Mines	Nov..	Direct	...	....	150,000 shs.	35c	...
Ault & Wibourg Proprietary	Dec...	Royal Securities Corp.	5½%	Pref.	$550,000	100	5½%

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Income Tax Problems

My wife is in receipt of a small income from investments. Would it be more economical for us, from a taxation standpoint, to transfer our holdings into a single account?

—

There is a clause in the Federal Income Tax Act which provides that "where a husband transfers property to his wife, or vice versa, the husband or wife as the case may be, shall nevertheless be liable to be taxed on the income derived from such property or from property substituted therefor as if such transfer had not been made."

This appears to cover your problem.

If your wife's income is less than $1,000 it would be advisable to keep the accounts separately in any event. The exemption for a married man is $2,000. If both husband and wife are in receipt of an income in excess of $1,000, the husband's exemption is cut to $1,000 and $1,000 of the wife's income is also exempt.

Thus, if a wife's income is $900, it means that the husband would still have an exemption of $2,000 and the wife would be free of tax. On the other hand, if the wife's income is $1,100, it means that the husband's exemption is cut to $1,000 and the wife has to pay tax on $100.

We take pleasure in announcing that
KENNETH J. LIPHARDT
Has been admitted to partnership in the firm of
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Walter F. Wilson
H. John Gregory
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TORONTO, DECEMBER 5, 1936

The Financial Post's Platform for Canada

1. Balanced budgets.
2. Abolish politics in C. N. R.
3. Merit system in public service.
4. Freer foreign trade through Empire preferences and foreign treaties.
5. Stable tariffs for balanced development.
6. Stricter laws to protect investors.
7. An even break for Canadian national newspapers and periodicals.
8. A modernized constitution.
9. Integrity in meeting public obligations.
10. Wider markets for our farms.

Guinea Pig Directors

THE harmful human element in mining is not confined to the crook, or the incompetent engineer.

Even more insidious than the shyster is the well meaning, thoroughly honest layman who allows himself to be utilized by the promoter; who lets his name stand as president or director, and who remains in blissful ignorance as to the affairs of the company.

Recently, the Ontario Securities Commission held a public enquiry into fantastic claims made for a northern property. President of the company was a doctor of stainless record. In the witness box he stated that he had allowed his name to be used as president because of some previous business transaction with the promoter.

He volunteered the statement that he had "not sold one share of stock." The effect of this declaration of allegiance was somewhat deadened when it became known that he had not invested one cent in the company, and held only one share. He was scheduled to get further stock "for services rendered."

It was apparent from the cross-examination that this worthy man knew little, if anything, at all about mining, and even less about the manner in which the company had been sold.

He was asked if he did not think he was shirking his responsibilities.

"Certainly not," came the indignant reply. "I attended every directors' meeting."

Such naiveté adds an air of guilessness to such promotions. This man may not have actively solicited purchase of stock, but his name may easily have been responsible for the purchases of his patients, friends, and acquaintances.

He acted, he told the commission, "with complete confidence and in complete good faith."

It was also obvious that he acted in almost complete ignorance.

This is not a unique case. There are too many mining companies whose directors are mere tools of the promoters. A director, particularly a president, has a direct responsibility to shareholders, and should not be able, in such cases to shoulder all responsibility on to the promoter or underwriter.

Smelters Should Give News

A CONTROVERSY of wide investment interest has been stirred as a result of work being done by Consolidated Mining & Smelting Co. in the Chibougamau area of Quebec. The operation raises the question as to just how far a large concern should go in taking the public into its confidence. "Smelters" has been chary about giving out results of operations at the property.

It is argued in defense of Consolidated Smelters that it is developing this enigmatic property "with its own money," and, therefore, need not supply the public with a constant stream of news as to values. It is also argued that if more complete details were divulged, market operation would profit at the expense of the public, because the stock would vary sharply in price. "Widows and orphans" might be induced to buy the shares and, if the property failed to prove up, they would lose.

These arguments, in the opinion of The Financial Post, are open to criticism. In the first place, is the money being spent in Chibougamau "private money"? True, Canadian Pacific Railways owns 51 per cent or more of the stock in Smelters. True, Smelters controls Chibougamau. But there is a minority interest, both in Smelters and Consolidated Chibougamau, who have a right to know the facts.

If Smelters feels itself or Consolidated Chibougamau to be privately owned concerns, then the stocks should be delisted from the various exchanges and the minority shares bought up.

As to the effect on the market of divulging more complete data on operations, every stock broker is aware that the very mystery surrounding this operation has given rise to all sorts of wild rumors, and has given market manipulators their most effective weapon. This weapon would be useless in the light of real information.

There is also a responsibility, less direct, to the shareholders in the various concerns whose development in Chibougamau is being held up, pending the results obtained by Smelters.

It appears to most impartial observers that inadequate reports, such as the recent one issued by Smelters, do as much harm as good.

It is a truism that Half Truths are just as dangerous as their cousins, Untruths.

The Financial Post has nothing but the highest regard for "Smelters" and its able executives and directors. It does not question their sincerity and honesty of purpose. But it feels that they made a mistake when they held back reports on the company's operations.

The 43,000 "Little Shots"

ANOTHER of the many illustrations of how the small investor and capitalist is hurt by a repudiating government comes to light in a recent issue of the Canadian Forester, official publication of the Canadian Order of Foresters. This is a fraternal insurance society with some 43,000 members, and it has a total insurance fund of approximately $17 millions.

Although the total fund is a large one, it amounts to only about $395 for the average member. The average member's investment, through the association, in government, municipal and school bonds in Alberta amounts to $37.93. This is the sort of "capitalist" who is suffering from the Aberhart Government's coercive reduction of interest rates on Alberta bonds and who will suffer further if municipal interest rates are reduced under the Government's permissive legislation.

To illustrate further, the Order's sick benefit fund amounts to $705,000, of which slightly over nine per cent is invested in various Alberta securities. This is a substantial sum in total, but the fund amounts to only $16.40 per member. The Alberta Government holds to the illusion that it is forcing lower incomes upon a group whom Mr. Aberhart has described as "the 50 big shots" of Canada. In reality the injury is being suffered by the countless thousands of "little shots" whose small savings are largely in the form of participations in lending and insurance institutions.

Starting a Chain of Jobs

THAT the 14,000 men and women engaged in the building of cars and trucks in Canada are merely the "start of a chain of jobs" is the message being broadcast this week by a new series of institutional advertisements sponsored by the Automotive Industries of Canada.

In announcing this new campaign at the annual conference of the Automotive Transport Association this week, J. L. Stewart, general manager of the Canadian Automobile Chamber of Commerce, stressed the need of all Canadian industries undertaking a new public function which he described as "taking the public into its confidence."

"In the past," says Mr. Stewart, "industry has suffered because the public was not in its confidence. There was even the feeling in some quarters that industrial activity was to a degree mysterious and carried on behind closed doors. It is not going too far to say that this attitude of mind was encouraged in an earlier era. But the time for that brand of secrecy is gone. It is definitely injurious. All it can achieve is to breed misunderstanding and place an industry in the same relative position as the man who complains of lack of appreciation on the part of his best friend and most severe critic."

There is scarcely a well-run industry in Canada that has not a fascinating and illuminating story to tell of the "chain of jobs" it provides for Canadian people. Yet, too often, uninformed citizens and politicians make these important industries the target of attack—attacks which end very often in embarrassment and confusion because of a lack of knowledge and understanding on the part of the public.

This does not mean there should be no criticism of methods and practices which creep occasionally into every business and which cannot be defended on any reasonable basis. It does mean that industries make themselves especially vulnerable if they cannot at all times fall back on an informed and hence sympathetic public opinion.

This is the type of education The Financial Post has been carrying on for over a quarter of a century in its columns. It welcomes the realization on the part of leading groups such as the automobile industry that the industry itself has an individual and collective responsibility to carry on adult education along sound and constructive lines if it is to consolidate and extend its "chain of jobs."

Ontario's Misleading Debt Figures

THERE appears to be an attempt on the part of some people to mislead the Ontario public on the true state of the provincial debt. Whether this is part of current by-election propaganda or is due to ignorance of the real facts, it reflects no credit upon those who use the figures.

The Toronto Star comes forward with figures to show that the gross debt of the province increased only $15.2 millions in the year ended March 31, 1936. It also states that the gross debt has decreased $18 millions since March 31. These figures are correct but they do not tell the whole truth.

The Government formerly acted as banker for the provincial Hydro system. In the 1934 public accounts, the Hydro debt to the Government was shown at $187.8 millions. In the 1936 accounts a reduction of $15.1 millions is shown in this debt. The Hydro has been doing its own borrowing and paying off its debt to the province. The effect is to reduce the gross debt of the Government to the public but the money is still owed to the public through the Hydro.

While Ontario's gross debt increased only $15.2 millions in the year ended March 31, 1936, is should also be noted that the net debt rose $27.6 millions in that period. The increase in net debt under the present financing arrangement comes closest to telling the truth about the actual changes in debt.

The present Government in Ontario has indeed put the brakes on public debt expansion and has brought debt increase almost to a standstill. Let it have full credit for what it has done but let it not be given credit for debt "reductions" that are merely bookkeeping arrangements between different units of the Government. It is not honest.

There are good reasons for letting Hydro issue its own bonds but so long as they bear provincial guarantees they are part of the province's obligations.

They're Here Again

ANYONE with moderately alert mental facilities, doing business with Canada's financial world, must be aware of the fact that the share-pushers, market-makers, and others of the same type are again active, taking advantage of the boom in mining stocks to foist worthless stock on the public.

The situation now is perhaps even worse than on former occasions, because of the fact that the public is now inclined to think the financial world is closely watched over by provincial authorities.

While much good has been done by the various security bodies, the fact that the selling of worthless stock appears about as prevalent as ever forces the conclusion that there is something definitely wrong, either with the laws and regulations or with their administration.

The public should take warning that the mere fact that stock is offered, does not mean that it has the approval of the authorities.

With a few changes, made to elude the law, many of the high-pressure methods of stock selling are still being utilized. Stock is being sold by telephone to perfect strangers, both within the province and without. Tipster sheets, and "house organs" are again being used to disguise with subtlety the fact that the reader is being "sold." Reference to certain shares which have, for localized reasons, doubled or tripled in value, is given, along with the statement that the broker knows of an unnamed stock due for a rise. In this way "sucker lists" are prepared.

It is an interesting fact that the laws of libel hamper papers like The Financial Post in exposing such firms to a much greater degree than the firms themselves are hampered by the securities laws. By operating just within the law and masquerading under faked names, these firms dodge exposure.

Readers of The Financial Post would do well to give a wide berth to all firms and individuals offering stock in such a manner.

Editorials in Brief

Chief contribution made to the world by the Dionne quintuplets is in providing an object lesson to mothers everywhere in the benefits of sensible diet and proper care. We wonder if Dr. Dafoe put his imprimatur on the photograph, apparently taken for Thanksgiving Day use in the United States, and which shows the five little sisters ravenously busy at a groaning table with a huge roast turkey in the centre.

• • •

A "copyright" article in the Toronto Star of Nov. 28 tells about the Pogue mystery carbureter. The article says, "Today comes the first definite news."

Readers of The Financial Post, who have been kept fully informed of the developments in connection with the Pogue carbureter, may expect the Star some afternoon to publish a dispatch reading, "Today comes news that Queen Anne is dead."

• • •

The attorney-general for Ontario appeared before the Privy Council in connection with the reference on the unemployment insurance act. What he said is of interest in another connection. He told the Privy Council that in Canada a great nation had been built up as the result of the wisdom of the founders in dividing up the respective jurisdictions, and that autocracy was very near an impossibility in Canada.

The wise founders of Canada made provision for the establishment of courts but Mr. Roebuck's power contracts legislation attempted to abolish the powers of the courts even within their allotted jurisdiction. His action showed that autocracy, far from being very near an impossibility in Canada, is not only possible but present.

Sayings of the Week

"For me, Empire as we know it and democracy are incompatible."—*J. S. Woodsworth, M.P.*

• • •

"Dictators have only become possible through the invention of the microphone."—*Sir Thomas Inskip.*

• • •

"Ever since the world began it has been a fact that you cannot get something for nothing."—*Henry Ford.*

• • •

"The fight in the world today is not for political liberty but for economic freedom."—*Hon. H. H. Stevens.*

• • •

"Most problems of government are the enlargement of the problems of every household."—*Herbert Hoover.*

• • •

"The most important single factor threatening recovery is a shortage of skilled labor."—*Raymond Moley.*

• • •

"It takes a highly intellectual individual to enjoy leisure. Most of us had better count on working."—*Dr. J. B. Nash.*

• • •

"No man is wholly free until he is both politically and economically free. No man with an inadequate wage is free."—*Owen D. Young.*

• • •

"If employers could see farther than their noses they would not need any coercion to force them to accept collective bargaining."—*Harry Elmer Barnes.*

• • •

"This barbaric sweating of labor can jump any tariff wall or undermine any currency stabilization. Don't let us be blind to this fact."—*Bernard M. Baruch.*

• • •

"Taxation properly imposed is a necessary evil, but taxation to support government waste, extravagance or experiment is an unnecessary evil."—*Col. Frank Knox.*

• • •

"As carloadings go down the importance of editorial columns goes up. Today with institutions crumbling and the people crying for guidance, it comes from those columns." — *John Bassett, Canadian newspaper executive.*

—*Drawn for The Financial Post by H. Kaell.*

If the rescue rope is not lowered soon will the others jump, too?

Alberta Needs Help

Lethbridge Herald

Alberta is in bad financial condition. So are most of the cities of Alberta. Albertans need help to rearrange their debt load to proportions which can be carried without weighing too heavily on the people by a continual increase in taxation. Taxation has already reached the point of diminishing returns, we truly believe. Threats of more and more taxation are driving out of the province any accumulation of money which has been earned here over the last 25 years—money badly needed for the further development of the province. Alberta did not start from scratch in 1906. People came, and they brought with them money and settlers' effects; they brought money to build buildings in the towns and villages, to buy stocks for stores. They brought wealth which had been accumulated elsewhere, put it to work here, and so Alberta has been built up. From that start further wealth has accumulated, but unfortunately this Alberta-made wealth is leaving the province. Threat of higher and higher taxation is the cause.

Alberta needs help. Help awaits the province, and the cities of the province, and the ratepayers of the province if we will avail ourselves of it. If we would discard our truculent attitude, and go to the right quarter, we are quite sure that help would be forthcoming as it has been to other provinces which are hard-pressed, Saskatchewan for instance.

The Dominion of Canada—the people—now own the majority stock of the Bank of Canada. The primary function of that bank is public financing. Through it the Dominion of Canada is securing a refunding of the public debt as it falls due at progressively lower interest rates. There is no reason why the Bank of Canada should not help the provinces to secure the same results. And through the provincial Governments, hard-pressed cities and other municipalities should be given some help in financing.

It must be understood, of course, that the money or the credit of the whole people of Canada cannot be poured into any province indiscriminately. There must be developed a "will to pay." Any credit Canada has is the credit of the people, credit which the people have by their labors and their thrift developed. Public credit cannot any more be abused than private credit if we are to be able to use it for future development in public enterprise. If we refuse to acknowledge the debt, if we refuse to repay what we owe, then we may expect—as the individual would expect—that we would no longer have any credit.

Instead of truculence Alberta must conciliate. Nobody wants to see Alberta's development set back through flight of capital due to default or due to threat of inordinately high taxes. Our creditors are anxious that we should repay, and if they see that we are in financial difficulties, needing aid to be able to repay what we owe, they will help us. And the Bank of Canada will help us.

Alberta cities need help. We need the help the Bank of Canada can give through the province in solving our financial troubles. We can have that help if we ask for it and show by our actions that we deserve it.

An Adult School

By J. B. MACLEAN,
Founder and Chairman, the Maclean Publishing Company, Limited, writing in the staff magazine of the company.

The sale of The Mail and Empire and the historical references thereto remind me that two of its distinguished managing editors received their early training with The MacLean Publishing Company. The late C. A. C. Jennings was a fellow student with me at the Normal School in 1881. After a few years successful teaching, I took him on Canadian Grocer reportorial staff in 1888 at 6 Wellington Street West, and he was with me for some years,

F. D. L. Smith joined us about 1895, when we were at 10 Front Street, East.

It would be interesting to list the men and women who got their early training in this organization, and I would appreciate it if members of the staff would send me personally the name of everyone they knew of who would be entitled to an entry on this list.

I cannot recall many of the ex-members who have not been most generous in their references to the value that the training they had in this institution has been to them in their present careers. Some left us with discontent in their souls, but years later, in several instances as heads of their own institutions, having gained experience and wisdom, and hence understanding, have been most cordial in their references to us.

We always regret to lose young associates whom we have educated and trained. In many cases they would have done better to have remained. But this is, as I have often said, part of our service as a national adult educational school. We must always remember that we are a national service institution, gathering useful news and interpreting it in the light of knowledge and experience for the promotion of sound, progressive prosperity in Canada.

It is for this reason that I have never favored and have frequently publicly opposed the policy — inaugurated by certain Toronto daily newspapers—of hampering the circulation in Canada of decent, useful United States, agricultural, commercial, industrial, religious, scientific newspapers and other national periodicals.

Post-Scripts

SPEAKING before an agency officers meeting at Chicago the other day, Charles D. Devlin, superintendent of agencies, Confederation Life Association, told the following story about one of the company's British managers who called upon a policy holder and found a third party present.

The policyholder said: "Here's a man you should talk to some time, Mr. Edwards." The man said, "What about?" The policyholder stated, "Mr. Edwards is my life insurance man, I have three policies with him—they are good policies and he has a fine company." The man said, "I wouldn't insure my blooming cat," to which Mr. Edwards replied, "We wouldn't insure your blooming cat either. Do you think my company wants to pay nine blooming claims on your blooming cat?"

The outcome was friendship plus an application for insurance.

Our "Great" Men

By DAVID LLOYD GEORGE,
in a speech in Manchester

I got into some trouble recently when I ventured to express quite frankly, as I generally do, my opinion about an eminent and a remarkable personality who does not seem to be popular everywhere. I did not realize that if you express admiration of the genius, of the courage, of the quality of a man, you necessarily mean approval of his opinions and his actions. Supposing I were to say I think Lenin a greater man than Ramsay MacDonald.

Suppose I said that Stalin is a greater organizer than Walter Elliot. Does that mean that I am a Bolshevik? Suppose I were to say that Hitler and Mussolini were more resolute national leaders than Stanley Baldwin. That does not mean I am either a Nazi or a Fascist.

Suppose I say I agree with the historical judgment of Carlyle, Macaulay, and Ramsay Muir that Oliver Cromwell was one of the greatest rulers this country has ever seen, does that mean that I am a regicide? Are you entitled to go to the Catholics, as they go to my Jewish friends, and say, "Do you know what Oliver Cromwell did? He killed a thousand Catholics at Drogheda as they were performing mass, and this man called that fellow one of our greatest rulers"? It does not. You may disapprove of actions and opinions, but that does not mean that a man of any breadth of mind cannot recognize greatness wherever he sees it.

And I am not going, let me say here and now, to be intimidated by every intolerant and petulant mentality from expressing my opinion, good, bad, or indifferent, about anybody. Still, I want to clear certain misconceptions. You are not going to save this country or save the world by revolutions, coups d'état, or dictatorships. If it is to be done it is to be done by operating free institutions.

I am opposed to oppression of every kind, from whatever the quarter it comes, and whether it is racial, religious, or class. I am against dictatorships out and out, root and branch, lock, stock, and barrel, and if you can think of any other cliché meaning the same thing, I will add it to the list.

As Others See Us . . . .

Accurate
Peterborough Examiner

The Financial Post says governments cannot create work for everyone except at unbearable cost. And somehow the suspicion will not down that this statement is 100% accurate.

Trained and Untrained Men
Midland Free Press

The Financial Post calls attention to the alarming migration of Canadian skilled mechanics to Great Britain, where factories will take all trained workmen who offer themselves. We apparently shall soon be facing the paradox of shortage of trained workers in Canada, while hundreds of thousands of our unemployed are either "unemployables" or just casual laborers, who have not been trained to do anything well. How foolish we have been to pay hundreds of millions in relief to men for doing nothing. How much better it would have been to spend the money teaching them trades. Is it too late even now to work out some scheme whereby all employable young men who have no jobs shall be taught trades in vocational schools?

The Unjust Steward
New Westminster British Columbian

The genius of the new Minister of Railways at Ottawa having been brought to bear on the problem of the Canadian National debt, he appears to be preparing to offer to Parliament a plan not unlike that of the Unjust Steward of Holy Writ.

In this lesson from history there may be assigned to Premier Mackenzie King the rôle of the certain rich man to whom complaint was made as to the extravagance or carelessness of his steward, who in consequence was put "on the spot," as the language of today would have it. The steward being a man of resource proceeded to frame an alibi, by which it would be made to appear that the bad debts of his administration were not as represented to his master, but only half as much, at the worst.

So Mr. Howe, the steward of today, is proceeding to deal with the delinquencies of himself and his political friends in the matter of the Canadian National Railways. Challenged on a deficit of 115 million dollars shown for the first year of Mr. Howe's connection, this unjust steward sets up the claim that the deficit is only 47.5 millions; and he sits down quickly and writes this amount for putting into the mouth of the Governor-General, who in turn will read this fable to Parliament. Mr. Howe, it seems, by a stroke of the pen is reporting cancellation of the items of 35.9 million dollars due for interest on Government advances, and also 29 millions for depreciation.

Challenging this course at once, The Financial Post of Toronto warns the public that "indications are that the present Federal Government is to continue the policy of its predecessors in lulling taxpayers into a false sense of complacency with regard to the C. N. R."

The Government, who, of course, must come to the defense of their colleague, Mr. Howe, cannot successfully plead that they inherited the Canadian National deficits from their predecessors, and that their responsibility is only for a plan of escape from a situation which too greatly embarrasses railway finance. The party now in power were directly responsible for the Thornton régime of reckless piling up of debt. The King plan at the moment seems to be simply to transfer from one account to another the burden of this debt and to continue to deceive the public as to the annual loses.

Stop Me If You've Heard This One . .

Justice Turgeon, chairman of the coming Royal Commission on wheat, has a reputation for ready retort that few Canadian public men can equal. Illustrating his remarkable ability, a story is told by R. J. Deachman, M.P., the secretary of a former Turgeon wheat enquiry. The commission arrived in Lethbridge on the "glorious twelfth" of July. Reminded of the date, Mr. Turgeon stated that he would have to wire a member of his family who had been born on that famous day some years before. A feminine member of the party expostulated: "I am surprised, Mr. Turgeon, that a man of your religious persuasion should have a son born on the twelfth of July."

"Madam," came the instant reply, "I was in politics then."

In the Mail

(Not over 200 words, please)

Smelters and the Public

Editor, The Financial Post,—

As one who has been a shareholder of Consolidated Chibougamou and its predecessor company practically from the beginning I was very much interested in your leading article in this week's issue.

Unlike other promising prospects, this company has given to its shareholders practically no information and on two occasions very incomplete and quite pessimistic reports have been issued by the president of Consolidated Smelters. While in the latest report it was stated that Consolidated Smelters was not withholding any material information, it must be recognized that they have given no information regarding values. Assays have been taken steadily over the last year or two and there have been indications that these have shown very promising results, yet Consolidated Smelters say nothing whatever in regard to values.

It is stated that Consolidated Smelters have gone to unusual extremes in preventing anyone learning the results of assays.

From the accounts of independent engineers who have had access to the property Consolidated Chibougamou has great promise. That this is so is indicated by a leading mining organization spending on the property a very large sum of money and also the desire of the C. P. R. to build a railroad into the territory.

Is the proposition being knocked in order that insiders may secure additional stock, or that Consolidated Smelters may secure additional claims in the neighborhood?

Withholding information to shareholders is unfair, undesirable and presumably illegal.

I hope your article will bring about a different policy on the part of those who are operating this property.

I. P. REXFORD.
Montreal.

Immigration and Population

Editor, The Financial Post,—

The editorial comment in your issue of September 26 on my article "Immigration—No Remedy" in the September issue of Social Welfare, was interesting. But does not the report of the 1936 quinquennial census of the Prairie Provinces, not available when the article was written, support my contention that, under certain conditions, immigration will not increase population?

The population of Manitoba increased during the five-year period by 10,917, that of Saskatchewan by 9,192, and of Alberta by 40,412, a total gain for the whole area of 60,521.

Had the natural increase, estimated at the 1931 rate, been maintained, Manitoba would have increased by 45,400, Saskatchewan by 70,500 and Alberta by 60,200, a total of approximately 176,000. That means that during these five years these three provinces lost three-fifths of the natural increase plus the total number of immigrants. The returns for either Manitoba or Saskatchewan considered separately are still more striking.

The reason is obvious enough. With a drought unprecedented in its intensity and the area affected, combined with the depression, there was not a satisfactory living for the people, and 115,000 plus some 13,000 approximately the number of immigrants, went away. It was, of course, not the babies born during the depression who went away, nor presumably the immigrants.

The West is neither down nor out. Its head may be bloody but it is still unbowed. When a better day dawns, and most of us believe there is already light in the East, our people will increase in number normally and naturally, and when business conditions improve, more especially in the industry of agriculture, so that more people are needed to supply the markets, immigrants will come—and they will stay. All I contended was that until conditions are such that more people are required, it is useless to invite them.

JOHN A. CORMIE.
Winnipeg.

Secret Reserves

Editor, The Financial Post:

As a subscriber to The Financial Post, we note the article in your issue of Nov. 14 covering the disclosure of secret company reserves.

Not to go into the case in detail, we would like to say that as far as we can see, between the Government and the company representatives there is this difference of understanding; the government representatives are trying to make out that the value in inventory should be treated as a profit for government tax purposes, which is the same old issue that is ever before the two different kinds of minds; namely, the conservative and the radical.

The crux of the whole matter is that if the company put in its report the profits made in inventory, it would oftentimes become insolvent due to the fact that inventory goods have not completed their cycle into dollar and cent profit stage, ready for distribution or taxation.

It is a good deal the same as the Government trying to tax a person on the profits which have accrued from buying a certain stock on the Toronto or New York Stock Exchange; and figuring that when the stock has advanced 10 points, he has made a profit, and the Government can proceed to tax. It does seem as if this point should be made clear in your business magazine.

JAMES G. EDDY,
Seattle, Wash.

Editor's Note: We cannot agree with Mr. Eddy that the crux of the secret inventory reserve matter is the taxing of capital profits.

Canadian income tax officials are reasonably lenient in encouraging and allowing ample inventory reserves but they do insist on two things, namely: that the basis of these reserves be disclosed to taxing officials and secondly that the basis, once established, be continued from year to year rather than altered up and down each year in such a way as to control operating profits.

We doubt if any firm which follows these two principles need have any fears about their position being prejudiced by confiscation of capital gains in years of inflated inventory.

Week in Business

Logging Jobs Reported At New High Mark

Employment Situation Generally Better for November — Lippman Discusses Coming Boom in U. S. A.

Employment among Canadian industrial wage-earners moved into new high ground at Nov. 1, according to official Bureau of Statistics figures. The bureau's index topped the 111 mark (100 equals the average employment in 1926)—a figure only reached in three previous Novembers, namely, 1928, 1929 and 1930. The gain from October was the largest shown in any previous year.

An outstanding feature of the increase was the 46% gain in logging employment. The number employed by 339 reporting firms was 58,700 when compared with 40,300 at the beginning of October. This is the largest increase in any month for which information is available and brings the bureau's index up to the highest point on record. This vigorous showing at the beginning of a new logging season augurs well for continued recovery in this important field.

* * *

The Coming U. S. Boom

Two weeks ago in this column we talked about the "Coming Boom" in Great Britain. This week we quote Walter Lippman, who discusses the "Coming Boom" in the United States in his New York Herald-Tribune column.

Mr. Lippman remarks that after seven years of worry it is not easy to realize that the problem of the United States today is "how to regulate the coming boom." Yet the signs are clear, he says, that we are rapidly approaching the time when there will be a shortage of labor and capital equipment.

"Already the demand for skilled labor is beginning to be greater than the supply and the capacity of basic industries like steel is about to be strained. That means a boom. For there is a boom when effective purchasing power outruns the productive capacity of capital and labor. Then prices and wages begin to rise together, speculation runs ahead of real investment and a vicious inflationary spiral is set in motion."

Mr. Lippman's main point is that the United States is now so near to a boom that there is no time to be lost if effective action is to be taken to check and regulate a situation which if allowed to develop will lead again to economic chaos.

"We are in a position much like that of 1926," he warns. "By taking the necessary measures we may hope for a sustained prosperity over many years. By failing to take them we shall bring on a boom and another collapse."

* * *

How's Your Russian?

And speaking of jobs for 1937, one of them for many firms will be the task of getting acquainted at first hand with the business of trade with Russia. The Commercial Intelligence Service at Ottawa has issued a circular listing the names of the principal trade bodies of the U. S. S. R. concerned with the importation of products from other countries. Here are some of the names and what they stand for:

Tekhnopromimport—technical equipment for chemical plants, vehicles, musical instruments, typewriters, stationery, tractor parts, ball bearings, etc.

Mashinoimport—aggregates for metallurgical industry, factory equipment, Diesel engines, locomotives, boilers, pumps, vessels, power plant equipment, etc.

Soyusmetimport—tubes and ferro-alloys, sheet metals, structural shapes, steel and metal goods.

Textilimport—metals, fibrous materials, raw rubber, rags, wool, cotton.

Raznoimport—agricultural imports, foodstuffs, piece goods, haberdashery, leather articles, chemical products.

Favorable

Construction contracts awarded rose sharply in November, bringing cumulative figures for the first 11 months ahead of corresponding figures for 1935.

Carloadings continued well above correspondiing figures for 1935 despite lower volume of western grain loadings and a falling off in coal. Miscellaneous loadings continue to dominate the picture with another substantial gain for the week of Nov. 21.

Other gains include a further increase in newsprint exports; a further gain in employment; increases in bank debits and coal imports.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Nov. 21)	▲51,521	48,963	2,244,626	2,144,830
C.N.R. gross earn. (Nov. 21)	$ ▲3,837,608	$ 3,479,413	$ 164,953,193	$ 153,624,757
C.P.R. gross earn. (Nov. 21)	$ ▲2,735,000	$ 2,705,000	$ 122,753,000	$ 113,445,000
Business Conditions—				
Weekly index D.B.S. (Nov. 21)	▲113.6	100.7	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (Oct.)	▲116.7	106.2	......	......
Transportation—				
C.P.R. net revenue (Oct.)	$ ▲4,403,183	$ 4,249,343	$ 16,230,651	$ 15,636,101
C.N.R. net revenue (Oct.)	$ ▲3,638,519	$ 3,628,065	$ 9,843,980	$ 9,762,625
Iron and Steel (October)—				
Pig iron production (tons)	▲70,051	45,521	535,836	464,585
Steel ingots and castings prod. (tons)	▲98,330	95,016	912,064	742,720
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Sept.)	▲3,120	2,593	75,806	69,844
Factory output (Oct.)	▲4,592	7,128	104,680	116,332
Trucks and Buses:				
Domestic sales* (Sept.)	1,431	1,436	17,720	15,580
Factory output (Oct.)	769	1,185	26,419	29,390
Exports (Oct.)	▲2,922	3,931	46,699	53,415
Construction—				
Building permits (Oct.)	$ 4,120,416	$ 4,030,318	$ 33,553,743	$ 40,711,114
Contracts awarded (Nov.)	$ ▲13,840,400	$ 8,290,800	$ 156,469,200	$ 155,940,100
Newsprint (tons)—				
Production (Oct.)	301,106	266,515	2,604,831	2,245,129
Exports, tons (Oct.)	▲280,732	240,421	2,411,016	2,053,207
Sugar (lb.)—				
Melting & sales§ (raw)	100,937,342	86,100,288	783,496,067	716,071,482
Manufactured§	141,355,351	129,825,202	802,444,724	754,506,205
Flour (bbls.)—				
Production (Aug.)	1,516,122	1,535,189	10,706,823	9,823,026
Wheat flour exports (Oct.)	464,013	501,442	3,966,136	3,911,821
Trade—				
Retail trade (index no. of sales) (September)	76.6	72.5	......	......
Imports (October)	$ 65,186,563	$ 52,751,020	$ 516,052,936	$ 455,787,336
Exports (October)	$ 113,002,780	$ 91,822,850	$ 805,629,169	$ 663,413,271
Wheat exports (bush.) (Oct.)	26,917,096	28,919,421	189,294,774	122,053,533
Employment, D.B.S. Index (Nov. 1)—				
All industries	▲111.0	107.7	......	......
Manufacturing	▲107.7	103.5	......	......
Electric Power Output (Oct.)—				
Total monthly m.k.h. (000's omitted)	▲2,378,399	2,162,569	20,901,116	19,104,573
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (October)	185,338	138,118	1,322,846	1,106,764
Boot & shoe prod., pr. (Sept.)	2,106,081	1,982,451	16,817,638	16,528,838
Crude petrol, imp. gal. (Oct.)	158,755,174	133,728,567	1,037,902,097	981,755,072
Cotton imports, lb. (Oct.)	▲16,542,791	10,770,453	108,338,956	93,619,285
Raw rubber imp., lb. (Oct.)	▲6,965,578	1,819,433	50,499,531	44,611,407
Coal imports, tons (Oct.)	▲1,638,259	1,314,128	11,039,650	10,845,382
Finance—				
Bank debits (Oct.)	$ ▲3,328,226	$ 2,907,516	$ 29,221,453	$ 25,592,252
Bond sales (Oct.)	$ 125,730,675	$ 65,915,953	$ 1,135,625,525	$ 717,482,390
Life insurance sales (Oct.)	$ 30,092,000	$ 30,416,000	$ 302,402,000	$ 297,676,000
Automobile Financing (Oct.)—				
Used cars	$ 1,703,273	$ 1,266,777	$ 21,865,029	$ 15,938,992
New cars	$ 1,519,272	$ 1,096,937	$ 26,064,055	$ 19,882,187

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to October 31.

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MARITIMES AFTER $23 MILLION CANAL

SAINT JOHN, N.B.—A royal commission, headed by Dr. Arthur Surveyer, of Montreal, which presented a report to the Bennett Government in 1934, found that construction of a canal across the Isthmus of Chignecto was sound from an "engineering and practical" viewpoint. At the same time it advised against the project in the face of conditions which then prevailed because it involved an expenditure of $23 millions.

Now, with Canada's import and export trade increasing, and an improvement in domestic conditions, there is a fresh agitation for the canal, and representations will probably be made to Ottawa in the near future. Already the Saint John Board of Trade has appointed a committee to consider what steps to take to promote the project.

By linking the Bay of Fundy with Northumberland Strait, and eliminating the long passage around Nova Scotia, a 20-mile-long canal across Chignecto Isthmus would shorten by 600 miles the water distance from Fundy to St. Lawrence and Great Lakes ports. It would also provide a shorter route from inland ports to United States and West Indies ports, and an inland water route from Central Canada to the heart of the Maritimes.

Background of Business

Freight Export Rate Cut for Maritimes

Hope Seen for Larger Brazil Shipments — Marketing Boards Still Intact — Canada's Book Habits

Business and trade publications got almost 35 cents out of every dollar spent on advertising by leading industrial firms in the United States in 1936. This is the outstanding feature of a survey of 255 member companies made by the National Industrial Advertisers Association.

It is also significant that the percentage going into business publications increased 4½% in 1936—this being one of the few categories in the budget to show an increased outlay. Back in the years 1929 to 1932, business papers averaged over 40% of total appropriations.

Comparative percentage figures follow:

	1935 %	1936 %
1. Business and trade publications (space)	29.78	34.6
2. Publishers' catalogues, directories, etc.	3.16	3.6
3. Art work, engravings, etc., for 1 and 2	6.50	6.6
4. Advertising to general public:		
a. Magazines (space)	1.97	2.5
b. Radio (time)	.57	0.1
c. Other mediums	.09	0.5
5. Production expense for 4	.64	0.5
6. Own catalogues and product literature	18.97	16.1
7. Direct mail and other promotion literature	13.87	12.7
8. Distribution and postage for 7	....	2.6
9. House organs	5.15	3.1
10. Conventions and exhibits	2.89	3.7
11. Editorial publicity	0.80	0.6
12. Motion pictures, still films, etc.	1.00	0.6
13. Administrative expense	10.73	8.4
14. Travelling expense	....	0.5
15. Market research	....	0.3
16. Miscellaneous	3.88	3.0
	100.00	100.0

* * *

Steel Workers Organize

Employees of the steel works and car plant of the Nova Scotia Steel & Coal Corp. at Trenton, N.S., favored incorporation of a union in a ballot taken recently.

Balloting was carried on under the supervision of the United Mine Workers.

For years the Trenton works have been operated as an "open shop." As a result of the vote, employees will organize into an independent industrial union, with the possibility of joining an international union later. The vote was reported as 500 to 3 in favor of a union.

* * *

Marketing Boards Intact

Ottawa reports that none of the marketing boards that were organized under the Federal Natural Products Marketing Act of 1934 have as yet been dissolved and none have asked to be dissolved, says Canadian Grocer.

This includes such boards as the Jam Marketing Board, the Western Ontario Bean Marketing Board and some in British Columbia and the Maritime Provinces. The Jam Marketing Board is described as a "dormant legal entity" awaiting the definite decision by the Privy Council at London, England.

The Federal Government and British Columbia will argue in favor of Federal jurisdiction over the marketing of natural products, although some of the provinces may go against it. Their chief concern is as to whether provincial rights would be waived if it were finally decided that the Dominion Parliament could do as it pleased in making marketing laws.

A number of farmer groups in Ontario are working together now, making representation to the Federal and Provincial Governments with a view to avoiding overriding of authority. They want to know exactly where they are at, so that they may shape their future course accordingly.

* * *

N. S. Auto Men Organize

Operators of trucks and buses in Nova Scotia have organized into the Automobile Association of N. S. Charles A. Pender, Halifax, N.S., has been elected president of the new organization.

The association's constitution says the objects of the body are to protect the interests of the shipping public, to promote the interests of the motor transport business, cooperate with authorities in carrying out laws and regulations pertaining to the highways, and to correct unfair competitive methods of unethical trade conduct. The association claims a membership of 100 truck and bus owners.

* * *

Prairie Retail Sales

Retail sales in the Prairie Provinces for 1935 amounted to almost $385 millions, an increase of 6% over 1934 and 16% higher than 1933. The index of sales for 1935 stands at 69.4 (1930 equals 100), indicating that the value of retail trade was still 30% below 1930 levels.

Relative improvement over 1934 was about equal for each of the three provinces. Sales in Manitoba amounted to $137 millions an increase of 6%; Saskatchewan $119 millions, a gain of approximately 7% and Alberta $128 millions, a gain of 6.5%.

* * *

U. K. Canning Boom

There are today between 80 and 90 canning factories in Great Britain compared with 20 in 1927, says Canadian Grocer. In 1925, 28 million cans were produced, but in 1930 the number had increased to more than 58 millions, and last year to a total of 672 million cans.

In vegetables, the Old Country packs run mostly to peas and beans, there being no tomatoes or corn packed. Cauliflower and chicken, sausages and baked beans in tomato sauce are other items now being put up. There is also a wide range of canned soups being packed.

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Price Cutting Still Despite Alberta Codes

Six in Operation But Underselling Continues

R. M. A. CRITICIZE

From Our Own Correspondent

EDMONTON.—Underselling and price cutting continues in retail circles in Alberta despite existence of a code to end such practices, according to the Retail Merchants' Association, which met recently in Edmonton and sent a delegation to the Government to outline criticisms of administration of the code.

The Alberta retail code has been in effect since April 6, 1936.

Four New Codes

Recently four new codes were proclaimed, making a total of six in effect, in addition to the general retail code. The new codes apply to the barber shop trade, the wholesale industry, photo finishing trade and automotive industry. Codes already in force were for the dry cleaning and dyeing industry and the printing industry.

The wholesale code forbids selling to the ultimate consumer, except in approved accounts with institutions, government departments, etc. Licensing provisions are based on the number of employees, as follows: up to two employees, $10; up to seven, $20; up to 12, $30; up to 17, $40, and more than 17, $100.

Hair Cuts and Car Washes

The codes applying to service trades set up scales of minimum prices and require observance of all provincial wage and hour regulations. The automotive code fixes prices for washing and polishing cars, lubrication, servicing and repairing batteries and tires. Dealers' fees are $25 a year in the four larger cities and $15 elsewhere. Service stations, battery and tire shops, are assessed $5 a year.

Similarly price schedules and license fees are provided for photo finishers and barbers. The hair cut price is 35 cents, which compares with prices of 25 cents and even 15 cents in many shops before.

Supertest Petroleum Corp. will erect a two-story addition to its head office building in London, Ont.

What's What In Advertising

By TORY FLEMING

The inevitable crop of rumors is already springing up following the Globe-Mail merger in Toronto. One informant told the writer that the Conservative party will back the establishment of a second morning daily in the near future! Whether the party support is to be financial or moral, he was unable to state. Worthy of a bit more credence is a report that the New York Daily News is casting its eye on Toronto for a morning tabloid paper. No confirmation of this is obtainable at the moment. But despite the fact that informed newspaper and advertising opinion is that there is not room for two morning dailies in Toronto, especially in view of the power and prestige of the present one, is quite possible that before long competition of a sort will develop.

Current gossip about the ownership of the combined paper itself has persistently turned in the direction of a concealed connection with the Liberal party in Ontario. Reports have been widely circulated and even printed that Senator O'Connor and the Liberal party put up substantial sums to effect the purchase of the Mail and Empire. This was officially and unequivocally denied by Publisher George McCullagh in a signed front-page statement appearing in The Globe and Mail Nov. 30. Said he, in part, "All moneys paid for Globe shares acquired by Mr. Wright were advanced by him personally and no other persons contributed in any way . . . similarly funds advanced for the purchase of the Mail and Empire were advanced by Mr. Wright . . . neither Premier Hepburn nor Senator O'Connor nor other outside interests had any part."

The statement said Wright owned 79% of the issued capital and that "the remaining shares are held by some 50 other shareholders who had a minority interest previous to Mr. Wright's purchase."

* * *

Douglas Philpott, account executive with A. McKim Ltd., has been appointed advertising and sales director for Lehn & Fink (Canada) Ltd., Lysol (Canada) Ltd., A. S. Hinds Co. (Canada) Ltd. and Dorothy Gray Ltd.

* * *

From Jan. 1, 1937, on advertising for the Borden Co. Ltd. will be placed through Young & Rubicam Ltd., Toronto and Montreal. This agency is Canadian branch of the one handling the Borden account in the United States.

Attention to Investment Problems by Mail

Letters from clients asking for information on investment subjects or desiring to buy or sell securities receive prompt and careful attention. Transactions by mail with many of our out-of-town clients have been carried on for years with satisfaction.

A complete investment service is available at any of our branches.

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They Live By

The INDUSTRIES of CANADA

For Instance, take Our Own Industry

The plants of the automobile manufacturers employ about 14,000 men and women engaged in the building of cars and trucks; an impressive figure, but merely the *start* of a chain of jobs.

The plants of the Parts Manufacturers employ many thousands more, and those engaged in the rubber, textile, paint, glass, chemical and steel industries add yet other thousands to the total, dependent in part or in whole, on the production of Canadian-built cars.

To this impressive total must also be added the employees of firms dealing in raw materials, food, clothing and other living necessities, and employees of the railways who live by traffic.

All these people are vitally interested in a sound and well-supported Canadian Automobile Industry.

For statistical and further information about this Industry, write to Automotive Industries, 1006 Lumsden Building, Toronto.

Jobs are vital to Canadian homes and families. No matter what the job may be; in a factory, office or store, in a mine or in the woods, on the farm or on the railway, it is affected, directly or indirectly, by the industries of Canada. Thriving industries mean more and better jobs all around: hampered industries mean fewer and poorer jobs.

Industry provides a home market for our natural resources; for the produce of the farm, the output of the mine, the cut of the forest and the catch of the fishing fleet. Each industrial unit buys the manufactured product of many other units. All buy raw materials from every domestic source. The employees of each of these units constitute groups of consumers whose mass purchases of food, clothing, housing and amusement, spread prosperity over industry and the country as a whole.

The interests of industry and of the individual, be he business man, mechanic, laborer, clerk, farmer, fisherman, miner, railroader or lumberman, are identical. What hurts one hurts the other. What helps one helps the other.

AUTOMOTIVE INDUSTRIES OF CANADA

Travel Acts as Hedge Against Inflation Trend

Funds, Friends and Business Interests Away from Home May Prove Sheet Anchor

The other night I watched a newsweekly film of refugees fleeing from Irun, writes G. M. Loeb in Barron's Weekly. Their homes were burning in the background. Their businesses, connections, and savings, also, were probably lost forever.

I can recall very vividly the great San Francisco earthquake of 1906. I remember the refugees fleeing that natural calamity. Many lost all they had. Few carried earthquake insurance. Many had fire policies with a "falling building" clause invalidating them. Even the land shifted in value. Good locations became poor. Poor ones became good.

A year ago I visited Moscow and saw what inflation and confiscation can do to a people. On the dock where we landed was a "Torgsin" store. Offered for sale were the former personal effects of old aristocracy,—furs, jewellery, furniture, art objects, all for sale for the account of the State. Driving through the streets of Leningrad, I saw whole city blocks of houses getting a coat of whitewash. The State owned all the houses, so they got the same general treatment as the street-cleaning department would give our streets.

About 1932, I motored through some of the old "ghost" mining towns of the West. Blocks and blocks of once busy streets were boarded up and deserted, values vanished for the moment at least.

Hedge Against Inflation

Just about this time, someone wants to know whether common stocks are a hedge against war, or what is the best hedge against inflation.

No one asks about hedges against quakes or fires or floods or shifts in values due to economic changes, though it would be just as logical. And I think of Russia and Germany and Spain, and of how all the popular "hedges" must have been useless.

If there is an effective hedge against calamity, it is a combination of geographic diversification, retention of capital in mobile form, and the keeping in personal touch with active business, both at home and in other centres.

Keep in the Swim

One must keep personally active, alert, and in the swim. Retired businessmen, in my opinion, haven't much chance. One must not tie up all one's assets in one's home town or in a form that is not liquid and subject to easy shifts. There are far too many people who have a small business in their home city, their own house in the same city, and if they own any securities, some shares perhaps in the local utility company. In addition, their friends and business connections are all within a radius of 10 to 15 miles.

My real thought is that one's greatest assets are his mental competence to do something useful and his connections. Therefore, establish some emergency connections away from home. Establish a fund or funds away from home as well, both as a "calamity hoard" and as an aid to keeping your foreign interests alive.

A Trip to Europe

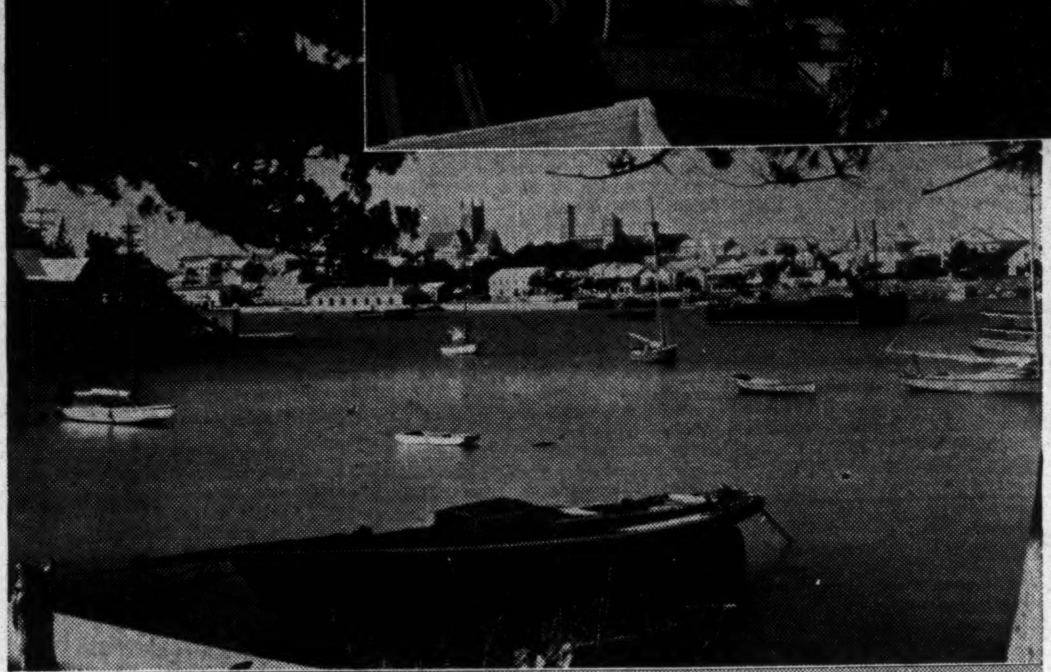
For example, I think a trip to London is the best sort of calamity hedge, if the person making it knows how to get the most out of it. Meet the right people. Do some business with them. Leave some funds abroad. Make some investments. Keep up the contact.

Right now, London, because of its proximity to Europe with its war threats, may not look like a safe haven. Only a few years ago capital was rushing into sterling because New York was too close to Washington, or supposed to be at the time. Perhaps things will also change the present attitude toward London. Even if not, the London connection will be worth a great deal.

Travel is the Solution

One ought to be able to move to several parts of this continent and the world, and have enough friends to be happy and get a helping hand to start, and have ready to hand enough funds for a grubstake. Ask yourself how many widely separated places you could go to and make a successful new start in life.

Travel is a wonderful hedge these days to those who can captivate it. One gets all the advantages listed above—a real vacation, a better knowledge of how to enjoy life, and an advantage over one's provincial competitors at home.



MIDWINTER IN THE SOUTH

Bermuda, Jamaica and Florida vie with one another in popularity among Canadian winter visitors to southern climes. Sunshine, sea bathing, yachting, fishing and scores of other diversions are attractions in all three southern beauty spots shown above.

Upper photograph shows King Street, Jamaica, with the Canadian Pacific steamship "Empress of Australia," in the background.

In the centre is Paget Sound Basin, Bermuda, with the sailing vessels of visitors and residents at their moorings.

Lower picture is a general view of the sea beach at St. Petersburg, Florida, showing "The Spa" and other landmarks familiar to hundreds of Canadians. St. Petersburg has one of the largest Canadian winter colonies in the southern U. S.

(Photograph of Paget Sound Basin courtesy of Canadian National Railways.)

Present Trend Is To Shorten Winter Cruise

Trips to West Indies Are Now of Varying Duration

West Indies cruising, born before the depression, is one of the business barometers that has escaped the eagle eye of the statistician. But the relation of these winter holiday jaunts to business and businessmen has not escaped the eyes of steamship executives.

A few years ago cruises were divided into three main categories: Around the World, approximately four and a half months in duration; the Mediterranean, between two and two and a half months; and West Indies, usually about one month.

Travel Style Changes

These lengths seemed ideal. Bookings for the several types of cruises fully justified the three categories. Then times changed. Cruise bookings laid emphasis on the shorter cruises. While there were still plenty of passengers for the top and bottom of the scale, the middle register called for serious questioning. It became apparent that the winter holiday in the sun was firmly fixed but that business conditions were such that too long an absence from the office was a serious factor in the mind of the prospective passenger. The answer, of course, was shorter cruises.

Last year the Canadian Pacific concentrated upon the West Indies with the 42,350 ton Empress of Britain making one short voyage before her round the world cruise, and the 22,000 ton Empress of Australia making a winter's work of it. Both ventures were successful and schedules have been drawn up for this winter with the same cardinal features in mind—short, frequent cruises with plenty of variety in the ports to be covered.

Again, the Empress of Britain is to start the ball rolling with a New Year's cruise. The Empress of Australia, between Jan. 7 and March 25 will make six cruises of eight, nine, 10, 16 and 18 days duration. All will depart from New York.

New Year's at Sea

Sailing from the Chelsea Pier, New York, at 11 p.m., December 29, the Empress of Britain is to call at Kingston, Jamaica and Havana, Cuba during her nine day voyage.

The Empress will have its own night club composed of Broadway entertainers and a smart dance band, features which have proved very popular in recent years.

New Year's Eve will be a gala affair as the Empress of Britain steams at a leisurely speed southward through the Bahamas.

The Empress of Australia's cruises include St. Pierre, Fort de France, Martinique, Port of Spain, Trinidad, La Guaira, Venezuela, Willenstad, Curacao, Cristobal, C.Z., Kingston, Jamaica; Havana, Cuba; Hamilton, Bermuda; Nassau, Bahamas. The ports farther south are reached only on the longer cruises, Nassau and Kingston are ports on four, Havana features in all six voyages, Hamilton, Bermuda, twice.

Emphasize Leisure

Emphasis is laid throughout the cruise schedule on leisurely steaming through the tropical seas to provide full opportunity for sunbathing in view of the widespread adoption of this healthful habit of winter recuperation.

Canadians Are Migrating To Islands of Caribbean

Florida and California Attract Tourists But Increasing Numbers Are Turning to Bermuda and West Indies

Among barometers of improving business conditions in Canada are heavy bookings by sea and rail to winter tourist resorts in Bermuda, the West Indies, Florida, California and points as far distant as South Africa.

Summer ocean bookings forecast the revival of travel among Canadian businessmen and their families, and all large steamship lines shared in the improvement in tourist trade to Europe. During November the demand for travel accommodation southward for winter vacations became more pronounced. Not the least important feature of the annual winter exodus of Canadians this year is the fact that sea cruises are increasing in popularity. Central and South America are favored areas, and Bermuda and the West Indies are getting a larger quota of Canadian visitors.

Likewise Florida and California are expected by travel authorities to lure Canadians in increasing numbers this winter. St. Petersburg, Fla., has long been the location of a large Canadian winter colony, and a favorite choice of lawn bowlers from all parts of Canada. California, more distant and consequently somewhat neglected by Canadians in Eastern Canada during the period of business depression, has become the object of tourist enquiries from Canadians planning rail, bus or motor trips.

November usually forecasts the scope of intended fall and winter travel and a survey by The American Express Co. indicates that November bookings and enquiries lead inevitably to the conclusion that 1936-37 winter travel is at an unusually advanced stage, affecting all travel channels, including short sea cruises and increasingly popular world cruises. The latter fell into disfavor during the depression but are being utilized more and more as a means of extended vacations. Travel companies are booking midwinter and spring reservations in many instances.

Bermuda Is Popular

Apart from Florida, and its large winter population of Canadians, Bermuda and the West Indies are this year making a strong bid for Canadian tourist business. One marked advantage in Bermuda travel is the fortnightly service of five ships operated by The Canadian National Steamships on two routes from Canada and the British West Indies, including service between Boston and Bermuda. Three of these C.N.S. "Lady" ships sail the eastern route the year round, from Halifax and Boston, calling southbound at Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and British Guiana. Convenient rail connections and the fact that no passports are required for British subjects or U.S. citizens visiting Bermuda, add to the attractions of the route for short cruises.

From New York the French liner "Lafayette" will sail in January and later in February on two 17-day midwinter cruises to the West Indies and South American ports, passing through the West Indies and touching at points of interest. Similar cruises throughout the winter months are available from both Canadian and U. S. ports.

From Pacific coast ports bookings are mounting for trips to the South Seas, Honolulu and the Far East. The Canadian Pacific Steamships, among others, are reporting indications of a banner season in this section of the world.

Jamaica Gains Favor

It is to Atlantic and West Indian resorts that the majority of Canadian winter travellers journey, however, and Jamaica in particular is attracting more Canadians this year than for some time.

During the winter and early spring a series of 10 all-expense cruises of 19 days' duration for the round trip will be operated from Boston to Jamaica via Bermuda and the Bahama Islands, by Canadian National Steamships. These will include Christmas and New Year's cruises, in addition to eight fortnightly cruises from Boston, commencing at the first of the year.

Jamaica, largest crown colony in the West Indies, is noted chiefly for its scenery, mountains and countless springs and streams. Kingston, Port Royal, Spanish Town and other centres are fully as colorful as other more remote sections of the island, and all are included in the itinerary of the New Year's cruise schedule of the Canadian Pacific Steamships between December 29 and January 8. This cruise, extending over nine days in the Empress of Britain, includes Cuba, and shore excursions at Kingston and Havana. Low fares are already attracting large bookings for southbound sailings from New York.

British Guiana

Atlantic sea voyagers this year are in many cases extending their journeys southward to British Guiana where one of the chief sights of interest is the Kaieteur Fall, five times as high as Niagara Falls, over which the Potara River tumbles for a sheer drop of 741 ft. and then boils over a steep cataract for a further 80 ft. To students of economy interest is always caught by the rice fields of the coastland areas, second most important industry of British Guiana, and exceeded only in importance by sugar cane which provides more than 60% of the colony's exports. Valuable hardwoods are cut in British Guiana's forests, and bauxite, the ore from which aluminum is obtained, is mined from deposits along the Demarara River.

Hotel accommodation at the Park Hotel or Hotel Tower, in Georgetown, is up to date and among the points of interest in Georgetown may be seen the Botanical Gardens, the Stabroek Market and the Georgetown Cricket Club. The colony is the only British possession in South America but it is larger than England, Scotland and Ireland combined.

Barbados Bathing

Barbados, in the Caribbean, is another increasingly popular resort for Canadians, a distance of only six to nine days from New York. Unusually fine sea bathing is a feature of the island and there is a decidedly English atmosphere about the island, known as "Little England" of the West Indies. In scenery and the character and habits of its inhabitants, Barbados is the most English island of the West Indies. Tennis at the Savannah Club, horse racing on the Garrison Savannah and yachting at the Royal Barbados Yacht Club all recall pleasant memories to tourists who have visited the island.

Trinidad and Tobago

This year, Trinidad and Tobago will also receive a larger quota of Canadian winter visitors according to present indications. These islands are exceptionally interesting to travellers, from a historical standpoint, and were discovered by Columbus in 1498. Port-of-Spain has many interesting features of pleasure and educational value, and Tobago — known as Robinson Crusoe's island — is rich in the lore of the days when the Spaniards were in possession of the West Indies.

In all, it will be a "Canadian season" in St. Petersburg as usual but also to a greater extent than ever in Bermuda, Jamaica, Trinidad, Tobago and British Guiana.

Florida Calls Young and Old

Miami, St. Petersburg, Daytona, St. Augustine Favored Resorts

To swank Miami, the broad speedway of Daytona Beach, the old Spanish fort at St. Augustine and to St. Petersburg, Canada will send her annual winter delegation within a few weeks to revel in Florida sunshine.

St. Petersburg on the "Gulf side" and Daytona, Miami, St. Augustine and a dozen other winter resorts are among the most popular for Canadians who prefer motor and rail travel to the swell of ocean waves. At St. Petersburg newspapers are free to all readers—on every day it rains—and St. Petersburg newspapers are still far from the bankruptcy courts. At St. Petersburg too, the yachtsman gets a unique welcome on his return from a sail—no less than the friendly pelicans who stand gravely on the piers, never tiring of acting as a welcoming committee to every boat that puts in to shore.

Play days are pay days in

FLORIDA

Empire of Sunshine

Havana • Nassau • South

Two Fine, Fast Through Trains from Penna. Station (P. R. R.) New York Daily (Eff. Dec. 10)

Connecting Service from Montreal at New York or Washington

GULF COAST LIMITED — 2.05 p.m. One night out to Central, South and West Coast Florida resorts.

*THE MIAMIAN — 9:40 a.m. One-night out to Florida East Coast Resorts. 28 hrs. N.Y.C. to Miami

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*FLORIDA SPECIAL — Golden Jubilee Season of the Aristocrat of Winter Trains. Recreation Car—orchestra—dancing—games—hostess. 27-2/3 hours New York to Miami. (Eff. Jan. 2)

*HAVANA SPECIAL — To all Florida, Havana, etc. Lounge Car.

PALMETTO LIMITED — To all Mid-south Resorts

THE "EVERGLADES" — New, fast Non-stop Train with early morning arrivals at Miami, Tampa, Sarasota and St. Petersburg. Lv. WASHINGTON 9 a.m. (Eff. Dec. 10)

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Empress of Britain

New Year's Cruise

to JAMAICA, HAVANA

From New York December 29

9 Sunny Play Days...$140 up

Fun and frolic on the high seas. Two swimming pools, tennis and squash courts, talkies. Broadway floor shows, masquerade ball, two lively orchestras... *on the largest world cruise liner.* Visit Kingston, Jamaica, and Havana, Cuba, in the carnival season.

Empress of Australia

WEST INDIES CRUISES

(Plus Central and South American Ports)

From NEW YORK

Enchanting roads to Summer aboard a famous cruise liner

Jan. 7 and Feb. 13 — 18 days—8 ports—$202.50 up

Jan. 27 — 16 days—6 ports—$185.00 up

Mar. 5 — 9 days — 3 ports — $107.50 up

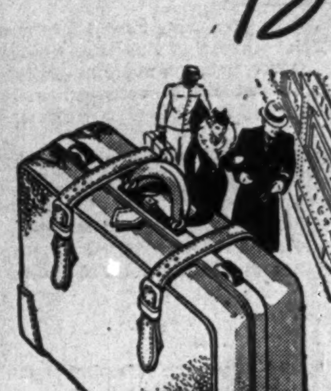
Mar. 16 — 8 days — 2 ports — $90.00 up

Mar. 25 — 10 days—2 ports—$117.50 up — Easter Cruise

For further information apply your local travel agent or nearest Canadian Pacific Agent.

Canadian Pacific

Southward Bound



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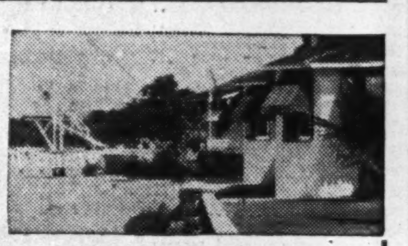
SPEND THIS CHRISTMAS UNDER JAMAICA'S PALM TREES



Enjoy Christmas far away from slush and snow, where tropic skies are smiling and palm trees gently nod. Christmas at the beautiful Hotel Casa Blanca—in tropical old Jamaica—at famous Montego Bay—is a gala event against a halcyon background of warmth and hospitality.

Every outdoor sport—and every indoor comfort, from spacious rooms with private baths to a cuisine that is renowned throughout the West Indies.

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SPEND CHRISTMAS OR NEW YEAR'S afloat

Festive SEASON

CRUISES OF EXCEPTIONAL VALUE

This year spend Christmas or New Year's among the palm-fringed islands of the West Indies. 19 glorious days—thrilling hours ashore at Bermuda, Nassau and Jamaica. Explore these romantic islands; play golf; or bathe on sun-drenched beaches.

The famous "Lady" Liners will make every hour of your cruise one to be remembered. All first class outside staterooms. Open-air bathing facilities. Perfect personal service.

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$193.50 with shore excursions

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R.M.S. Lady Somers Dec. 12

R.M.S. Lady Rodney Dec. 26

From Halifax two days earlier.

Quebec Leads Gain In Economic Areas

British Columbia Alone Fails to Show Increase

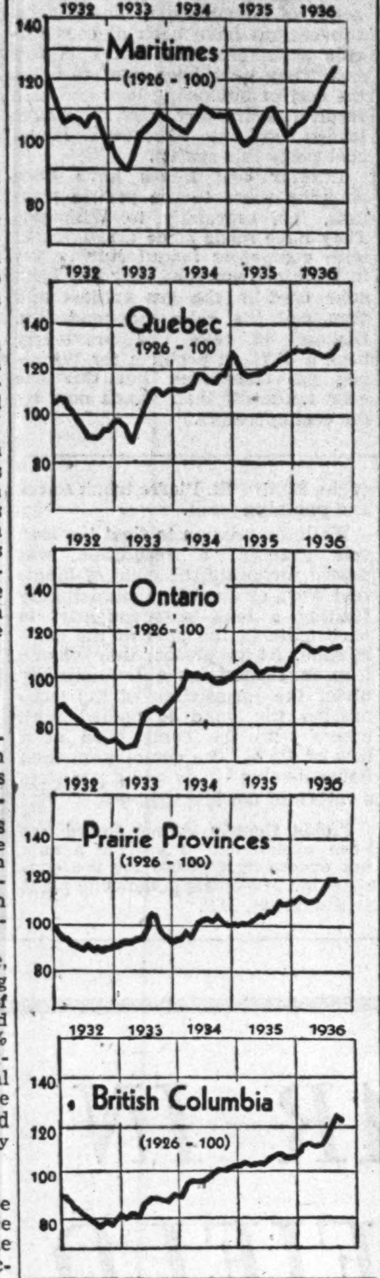
October uncovered further improvement in business activity for four of the five economic areas of Canada. The exception was British Columbia, the index showing a minor recession from the high level of the preceding month.

The outstanding development was the sharp gain in the index of Quebec occasioned by a heavy electric output and a marked gain in employment conditions. Industrial statistics applying particularly to Quebec also showed an expansion in the current period.

Electrical output showed gains in three economic areas, especially in Quebec, and employment after seasonal adjustment recorded marked gains in the eastern areas.

Bank debits declined from the high level of September, while the sales of life insurance showed a gain in the western areas. Wheat receipts in the Prairie Provinces reached a low level for the season while prices were considerably stronger. External trade through the Maritime Provinces reached a high level in October, while conditions on the Pacific coast were less active.

Charts Show Trend Across Dominion



Maritimes

New business obtained by the construction industry has recently been relatively higher in the Maritimes than in any other of the four economic areas. A gain of 1½% was shown in building permits. There was considerable dropping off in the electric output, the index receding from 227.4 to 203.5. The gain in industrial employment after seasonal adjustment was 4.6%.

Financial factors showed a decline, the index of bank debits receding from 106.0 to 103.6. The tonnage of vessels cleared from Halifax and Saint John showed a gain of 15% and the records of imports and exports reflected an active external trade. The net result was that the index of the Maritimes advanced from 123.5 to 125.6, a gain of nearly 2%.

Industrial Employment Gains

Conditions in the Maritimes have shown steady improvement since the beginning of the year and the index indicates that much of the activity of 1930 and 1931 has been regained. The lumber industry was active, some operators experiencing difficulty in obtaining their full complement of men.

The industrial section of Nova Scotia has recently shown considerable resumption of operations. Nearly 500 men are employed at the Nova Scotia Steel and Coal Co. and Eastern Car Co. plants at New Glasgow. The former company also employed 1,650 men in the coal mines at Sydney Mines. The Dominion Coal Co. employed 8,000 men at Glace Bay and the average forces of the Dominion Iron and Steel Co. at Sydney have been raised to 3,400 men. Shipments of iron and steel materials have been recently made to Australia, New Zealand, South Africa and Montreal.

Quebec

Several marked gains were shown in the underlying factors indicating the trend in Quebec. The index of electric output after seasonal adjustment moved up more than 10%. The adjusted index of employment was 105.9 against 100.9 in the preceding month. Bank debits and sales of life insurance showed declines.

Industrial statistics were on the right side of the ledger. Imports of raw cotton by the textile industry were up nearly 20% and newsprint production recorded gain of 4.7% to a new high point. The boot and shoe industry according to the latest statistics available showed a gain of 4.2% The index for the province was 131.3 against 126.8, a gain of 3½%.

Aside from the new business obtained by the construction industry and life insurance sales, which declined, advances are shown by all factors. The index gained 5% in this comparison.

Logging was active in October and miners found additional employment at Rouyn. Clothing and fur factories were busy at Montreal and Quebec. The paper industry was fully employed at Three Rivers and considerable construction was in progress.

Ontario

A slight gain was shown in the index for Ontario, conditions in the province having been nearly maintained during the year following the marked improvement during the last quarter of 1935. New business obtained by the construction industry was at a comparatively low ebb in October. The output of electric power was 2% greater and employment showed a gain of 1½%.

Bank debits and sales of life insurance showed declines. Industrial factors were strong. Livestock slaughterings were 4.7% Steel production showed a gain of 2% and considerable gain was also recorded by the automobile industry. The index in October was 112.7 against 112.6 in September.

Lumbering was active in October, attracting men from the other provinces of Canada. Some difficulty was encountered in obtaining experienced men. Nearly all manufacturing concerns recorded steady progress and increased business.

The sugar industry at Chatham worked at capacity. The farm implements industry at Brantford recalled many employees to their jobs.

Prairie Provinces

The index for the Prairie Provinces moved up ½%. The gain was mainly due to increase in building permits, electric output and sales of life insurance. The electric output was up nearly 4%, considerable progress in the last ten years being shown by the index of 262.9 in October. Employment was down moderately and bank debits showed a considerable decrease. The index of the sales of life insurance was up 13%.

The effect of the early harvest on the prairies was reflected in the decline in wheat receipts. Receipts were about 22,500,000 bushels against 57,700,000 in September. September is normally the most active month of the year in this respect, but the decline in October was greater than normal for the season. The index dropped off from 59.5 to 32.8. Wheat prices on the other hand, averaged considerably higher than in September. The price moved up from $1,039 to $1.109 for No. 1 Northern. The index consequently advanced from 72.5 to 77.8.

Moisture Reserves Low

The precipitation in a considerable area of the Prairie Provinces was very slight during the fall and until the freeze up. The inevitable result is that the moisture reserve is at a very low level. Fall ploughing was practically impossible in many places. The west is dependent on heavy spring rains to offset adverse moisture conditions at the present time.

The employment position of the Prairie Provinces has much improved owing in part to the placing of men by the Government farm relief plan. Loggers were engaged in Manitoba and mining was active with nearly all mines carrying full crews. Coal shipments from Drumheller compared favorably with those of other years. The index moved up from 119.9 to 120.4, a gain of ½%.

British Columbia

Conditions in British Columbia showed recession from the high level of September, very few increases being shown among the component factors. The index of building permits moved up slightly but the level of building is comparatively low. The index of electric output declined from 211.7 to 203.5. The adjusted employment index dropped off from 108.1 to 102.5. Bank debits were at a considerably lower level. Sales of life insurance showed a gain of 0.6%.

The tonnage of vessels clearing from Vancouver and the external trade through British Columbia ports reached a lower point than in the preceding month. The net result was that the index for British Columbia was 122.0 against 124.2 in September.

Lumber Exports Soar

Waterborne shipment of export lumber from British Columbia during the first nine months of this year increased by nearly 36% over the same period of 1935, reaching a total of 871 million board feet compared with 631 million. Great Britain is the largest single customer, receiving nearly 337 million board feet with Australia, China and Japan following in that order.

Work at gold mining properties was brisk as favorable weather conditions permitted the retention of extra miners doing outside development work.

The apple and tree fruit crop was estimated at 4,500,000 boxes. The fruit is of excellent quality and judging from the quotations, growers are expected to receive excellent returns.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
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220 Rooms

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
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Growth of Business Recorded in Detail

TREND OF BUSINESS IN FIVE ECONOMIC AREAS

	October, 1936	October, 1935	Sept., 1936	Increase (+) Decrease (—) Per cent
Maritimes:				
Construction contracts .... $	1,056,000	624,000	2,865,000	+69.2
Building permits .... $	209,000	115,000	205,000	+81.7
Life insurance sales .... $ 000	2,053	1,844	2,054	+11.3
Bank debits .... $ 000,000	55.9	50.7	51.7	+10.3
Electric power .... kw.h. 000	59,616	46,811	52,254	+27.4
Employment .... 1926 = 100	119.4	111.1	117.9	+7.5
Tonnage of vessels, cleared	428,940	393,615	373,540	+9.0
Imports .... $	3,322,528	2,611,092	2,520,310	+27.2
Exports .... $	5,827,610	6,224,893	4,552,194	—6.4
Index	125.6	109.3	123.5	+14.9
Quebec:				
Construction contracts .... $	5,319,000	6,712,000	2,878,000	—20.8
Building permits .... $	857,000	1,257,000	894,000	—31.8
Life insurance sales .... $ 000	7,829	8,594	7,096	—8.9
Bank debits .... $ 000,000	1,031	788	859	+30.8
Electric power .... kw.h. 000	1,270,427	1,176,353	1,031,592	+8.0
Employment .... 1926 = 100	110.3	105.0	106.0	+5.0
Imports of raw cotton	16,542,791	10,770,453	9,262,674	+53.6
Newsprint production .... tons	301,106	266,591	269,782	+12.9
Index	131.3	124.5	126.8	+5.5
Ontario:				
Construction contracts .... $	7,285,000	4,967,000	6,646,000	+46.7
Building permits .... $	2,067,000	2,119,000	1,856,000	—2.5
Life insurance sales .... $ 000	12,908	13,269	12,078	—2.7
Bank debits .... $ 000,000	1,342	1,102	1,391	+21.8
Electric power .... kw.h. 000	687,831	626,559	633,435	+9.8
Employment .... 1926 = 100	112.8	110.0	112.6	+2.5
Livestock slaughterings, 1926 = 100	165.2	123.5	157.8	+33.8
Steel production .... tons	98,330	95,016	86,077	+3.5
Automobile production .... No.	5,361	8,313	4,655	—35.5
Index	112.7	102.9	112.6	+9.5
Prairie Provinces:				
Construction contracts .... $	803,000	2,000,000	1,127,000	—59.8
Building permits .... $	637,000	217,000	351,000	+193.5
Life insurance sales .... $ 000	4,833	4,268	3,676	+13.2
Bank debits .... $ 000,000	725	820	656	—11.6
Electric power .... kw.h. 000	163,499	137,698	135,045	+18.7
Employment .... 1926 = 100	106.0	108.1	108.6	—1.9
Wheat receipts .... bush.	22,551,000	60,000,000	57,728,000	—62.4
Wheat prices .... $1 per bush.	1.109	.907	1.039	+22.3
Index	120.4	112.8	119.9	+6.7
British Columbia:				
Construction contracts .... $	495,000	622,000	3,043,000	—20.4
Building permits .... $	351,000	313,000	337,000	+12.1
Life insurance sales .... $ 000	2,216	2,209	1,880	+0.3
Bank debits .... $ 000,000	175.2	147.3	175.8	+18.9
Electric power .... kw.h. 000	154,446	135,571	151,364	+13.9
Employment .... 1926 = 100	105.4	101.8	108.1	+3.5
Imports .... $	4,486,147	3,968,177	4,776,279	+13.1
Exports .... $	13,066,545	11,780,898	12,242,032	+10.9
Tonnage of vessels, cleared	954,580	928,986	1,022,832	+2.8
Index	122.0	108.4	124.2	+12.5

Company Reports

Canadian Car

Canadian Car and Foundry Co.'s financial statement for the 12 months ended Sept. 30 last shows an operating profit for the first time in several years. Total income was $336,555, as against a loss of $393,822 in the previous year. After providing for directors' fees, officers salaries and $226,690 for depreciation, there was a net income before income taxes of $7,685. In 1935 the company had a deficit of $497,256 without provision for depreciation.

The balance sheet shows an improvement in working capital. Inventories are down over $300,000; accounts receivable are up about $120,000, while cash on hand and government bond holdings show a substantial increase.

Diversify Activities

In his report to shareholders W. W. Butler, president, said that the showing made last year was largely the result of miscellaneous business, as railway orders represented less than half of the business handled. Operations of Canadian Transit Co., in which Canadian Car owns a controlling interest, expanded during the year. Brief reference is made to the entry of the company into the airplane manufacturing business.

Income and Surplus Account
Years Ended Sept. 30

	1936 $	1935 $
Operating profit	281,790	*485,090
Other income	54,765	91,268
Total revenue	336,555	*393,822
Less: Directors' fees .	11,890	12,025
Officers salaries	88,230	88,365
Legal expenses	2,060	3,044
Depreciation	226,690	......
Net income	7,685	*497,256
Previous surplus . . .	1,859,873	2,357,129
Surplus forward	1,867,558	1,859,873

*Deficit.

Working Capital Position

	1936 $	1935 $
Current assets	2,132,492	2,177,769
Current liabilities	344,238	580,941
Working capital	1,788,254	1,596,828

Standard Chemical Co.

Standard Chemical Co., Toronto, reports net profit of $66, before depreciation, for the six months ended Sept. 30, 1936, compared with a loss of $12,315 in the same period of 1935. Sales for the six months were $629,051 compared with $542,652 for the 1935 period.

Large volume is expected to be shown in the second half of the company's fiscal year, as some products, notably charcoal, are in greater demand in the winter months.

Guelph Carpet

Earnings of $1.16 per share on the common stock against 92 cents a share in the previous year, are reported in the annual statement of Guelph Carpet and Spinning Mills Ltd. for the fiscal year ended Sept. 30, 1936. Earnings on the preferred stock equalled $16.59 against $10.88 in the previous year. Dividends on preferred were unchanged at $6.50. The company has paid $1 on the common in the 1936 calendar year against 75 cents in 1935.

Decreases in working capital and capital surplus, and redemption of 2,342 shares of its 6½% preferred stock during the fiscal year, are shown. Supplementary letters patent have been obtained authorizing reduction of the preferred to $500,000, the amount now outstanding.

Balance sheet position shows total current assets of $733,977, including $16,675 cash, $286,638 receivables, $415,046 inventories and $15,617 investments, at cost less reserve. Current liabilities are $37,954, leaving working capital at $696,023 against $816,530 a year ago.

Reserve for depreciation has been increased to $446,945, but capital surplus is lower at $285,339. Other balance sheet items show little change apart from the reduction in preferred stock.

Comparative figures follow:

Profit and Loss Account
Years Ended Sept. 30

	1936 $	1935 $
Net oper. earnings	177,592	153,822
Less: Depreciation	78,447	70,040
Net oper. profit	99,145	83,782
Add: Int. & other earn..	7,797	12,071
Less: Prov. for taxes ...	24,000	16,000
Net profit	82,942	79,853
Less: Pref. divds.	42,175	47,723
Common divds.	26,250	26,250
Surplus for year	14,517	5,880
Add: Prev. surplus	76,205	70,325
Surplus forward	90,722	76,205

Working Capital

	1936	1935
Current assets	733,977	882,897
Current liabilities	37,954	21,367
Working capital	696,023	861,530

Brantford Cordage Co.

Brantford Cordage Co. report for the year ended Aug. 31, 1936, reflects the effect of refinancing the first preferred shares of $25 each. The old 8% preferred was refinanced by issue of 5% stock. Earnings on the new first preferred shares amounted to $7.46 a share compared with the annual dividend rate of $1.25.

The surplus account and working capital are reduced by payment of premiums on shares redeemed and commission on sale of the new shares.

W. M. Messecar, president, says the company this year has an unusually heavy inventory to carry into next season, due to small crops in the Canadian West and elsewhere and also to continuation of competition from foreign twine dumped in Canada. This comes into Canada free of duty, he states. The adverse effect of these conditions on earnings was offset by the fortunate purchase, when fibre markets were at very low levels, of materials sufficient for the entire year's requirements.

Income and Surplus Account
Years Ended August 31

	1936 $	1935 $
Net earnings	378,782	361,696
Less: Depreciation	10,509	83,936
Income taxes	70,000	42,000
Net profit	298,273	235,760
Less appropriations:		
1st pref. dividends	83,095	112,887
2nd pref. dividends ..	119,000	......
Surplus for year	96,178	122,893
Add: Prev. surplus	867,958	745,065
Less: Addit. inc. taxes .	8,632	......
Prem. on shs. redeem.	303,022	3,548
Commission on new 1st pref.	70,000	......
Surplus forward	582,482	867,958

Working Capital

	1936	1935
Current assets	1,817,323	2,505,934
Current liabilities	82,358	82,814
Working capital	1,734,965	2,423,120

Paramount Pictures Inc.

Paramount Pictures Inc. shows a pronounced reversal of results for the third quarter of 1936 as compared with the second quarter. In these two quarters $1 million of inventory reserve for pictures was credited to operations. In 1935 the company charged $2.5 millions against earnings for inventory reserve against pictures not released at the close of that year. This year it may not be necessary to make such a heavy charge against earnings.

Approximate results for the first nine months of 1936 show a surplus of $2¼ millions, compared with approximately $3 millions for the same period of 1935. Net earnings for the year will depend to a substantial extent upon the deduction for inventory reserve. For the full year 1935 the net after charging inventory reserve amounted to $2.61 a share on the 6% first preferred stock. If the large inventory charge is not made this year, earnings could be shown at a higher level.

‡Consolidated Earnings

	3rd qu. 1936 $	2nd qu. 1936 $
Operating earnings† .	1,609,224	147,000
Add: Divd. from non-cons. subsids.	695,787	160,000
For exch. adjust. ..	14,503	*34,000
	2,319,514	273,000
Less: Debent. interest	357,725	387,000
Res. tax on undist. prof., foreign invest. & conting...	....	425,000
Profit for quarter	1,961,789	*539,000
Add: Profit on deb. retire.	51,975	63,000
Surplus for period ..	2,013,764	*476,000

*Loss or deficit.

†Operating earnings before provision for undistributed earnings tax, but after provision for estimated normal income tax and after applying $200,000 in the third quarter and $800,000 in the second quarter of the inventory reserve set up as of Dec. 28, 1935.

‡The results do not include operations of Olympia Theatres Inc. and subsidiaries in receivership throughout the period. Operations of partly owned companies not consolidated are included only to the extent of dividends received. Paramount's net interest as a stockholder in the combined undistributed earnings of such partially owned companies amount to approximately $247,000 for the third quarter and $305,000 for the second quarter.

Dryden Paper

Dryden Paper Co.'s financial statement for the year ended Sept. 30, 1936, shows a substantial increase in gross income over that reported in the preceding 12 months. After taking care of bond interest, directors' fees and executive salaries, net earnings available for depreciation, depletion and sinking fund provisions, amounted to $77,556, as against $6,815 in 1935.

The balance sheet does not show any material change from a year ago. Inventories remain about the same, while accounts receivable, indicating a larger volume of business, are up from $99,843 to $138,946. Investments are down about $43,000, while cash on hand shows a small improvement. The only change of interest among the liabilities is the reduction of $57,000 in the funded debt.

In his report to the shareholders, J. H. A. Acer, president, says the kraft pulp market has continued to improve in volume and prices are now somewhat higher than last year, or the earlier part of this year. Within recent months a battery of machines for the manufacture of grocery bags has been installed. Earnings since the close of the fiscal year have been better.

Income and Surplus Account
Years Ended Sept. 30

	1936 $	1935 $
Operating profit	175,308	102,783
Other income	6,953	8,655
Total revenue	182,262	112,437
Less: Directors fees	240	150
Executive salaries	19,786	19,072
Depletion	9,353	10,379
Bond interest	84,680	86,400
S.F. provisions	33,960	17,880
Net income	34,243	*21,434
Previous surplus	*68,537	*47,093
Surplus forward	*34,294	*68,537

*Deficit.

Working Capital Position

	1936 $	1935 $
Current assets	579,201	575,352
Current liabilities	60,747	43,046
Working capital	519,454	532,306

National Sewer Pipe

A slightly higher operating loss, but as a result of better sundry earnings, a smaller net loss is reported by National Sewer Pipe Co. for the year ended Oct. 31, 1936. With cash and call loans of approximately $600,000, reserve against bad debts of $50,000 and an inventory of over $250,000, against which is less than $16,000 in current liabilities, the company continues in a strong position to take advantage of any increase in volume of business which may develop.

So far, however, that increased volume does not appear in sight, Ryland H. New, president, stating that:

"It is quite apparent that sales of the company's products will not reach sufficient volume to enable it to operate at a profit until municipalities throughout Ontario undertake new sewerage systems or extensions to present installations and until house building activity is improved over that of the past few years."

Mr. New does point out, however, that a recommendation of the management to spend $250,000 on plant modernization has been approved. The expenditure, it is stated, will make possible lower costs of production and some diversification.

Income and Deficit Account
Years Ended Oct. 31

	1936 $	1935 $
Oper. loss	70,530	69,134
Less: Sundry revenue ...	22,727	19,058
Loss for year	47,803	40,076
Add: Prev. deficit	50,545	24,516
Less: Accts. rec. recov. ..	......	460
Profit on sale of bonds	......	22,588
Deficit forward	98,348	50,544

Working Capital

	1936 $	1935 $
Current assets	911,207	937,330
Current liabilities	15,726	24,615
Working capital	895,481	912,715

Southern Canada Power

Gross income of Southern Canada Power Co. for the fiscal year ended Sept. 30, 1936, recorded a small increase, but net income available for dividends were somewhat less than in the preceding 12 months. The falling off in net profits was due to a larger amount spent on purchased power, operating and maintenance costs, and increased taxation.

There are no major changes in the balance sheet. Among liabilities minority shareholders' interest in a subsidiary company has been reduced from $43,548 to $9,500. There is a minor reduction in bonded debt. The cash position of the company shows an improvement. Investments, other than those of subsidiaries, are shown at a book value of $2.5 millions, or roughly the same as a year ago. At the end of last September the market value of these investments was $216,884 less than book value. During the year the management appropriated $180,312 from depreciation reserve to write down the value of certain investments.

Income and Surplus Account
Year Ended Sept. 30

	1936 $	1935 $
Gross revenue	2,153,573	2,141,042
Operating expense ..	903,254	851,589
Net income	1,250,319	1,289,453
Less: Depreciation ...	217,713	224,964
Bond interest	332,265	333,339
Bad debt reserve .	3,600	3,600
Minority interest ..	......	124
Net income	696,741	727,426
Less: Pref. divds. ...	425,334	425,334
Common divds. ...	319,257	321,010
Surplus	†47,850	†18,918
Previous surplus	*373,866	411,262
Surplus forward	326,016	392,344

†Deficit. *Adjusted.

Working Capital Position

	1936 $	1935 $
Current assets	907,907	725,783
Current liabilities ...	592,444	557,559
Net working capital..	314,463	168,224

Monthly Bank Earnings

	Nov., 1936 $	Nov., 1935 $
Halifax	10,298,623	10,024,860
Saint John	7,886,163	8,126,261
Moncton	3,460,418	3,362,831
Sherbrooke	2,548,563	2,654,882
Quebec	22,407,181	21,561,371
Montreal	536,684,605	465,353,959
Ottawa	112,798,212	123,261,412
Kingston	2,436,750	2,375,793
Peterborough ...	2,714,759	2,785,261
Toronto	596,688,765	554,921,955
Hamilton	20,710,566	19,015,305
Kitchener	4,672,121	4,436,353
Brantford	3,803,276	3,653,710
London	11,690,816	12,488,977
Chatham	2,695,330	2,174,278
Windsor	12,139,654	10,188,930
Sarnia	1,985,543	2,147,261
Sudbury	4,195,837	3,771,405
Fort William	3,293,576	2,708,632
Winnipeg	207,223,622	271,930,778
Brandon	1,462,814	1,411,565
Regina	17,240,088	18,461,289
Moose Jaw	3,082,270	3,188,628
Prince Albert ...	1,607,902	1,568,962
Edmonton	17,382,722	16,921,688
Calgary	25,213,061	32,987,097
Medicine Hat	1,014,096	1,235,136
Lethbridge	2,221,453	2,355,240
N. Westminster .	2,593,335	2,479,074
Vancouver	78,912,922	72,830,992
Victoria	7,068,130	7,125,454
31 cities	1,728,280,183	1,687,509,379

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B. C. Voting Unlikely Till Late in 1937

Pattullo Government Will Wait Till Last Minute

FOES DISORGANIZED

From Our Own Correspondent

VANCOUVER.—Although no official statement has been issued by Premier T. D. Pattullo, the general impression here in political circles usually well informed is that British Columbia will not hold a provincial election until next fall, perhaps in September or October.

With conditions improving in business and industry, the Pattullo Government is said to hold the view that the longer it holds out the better will be its chances of re-election.

The Conservative party, as indicated in the recent by-elections, is still suffering from lack of organization and it will be a long while before it can present a formidable front, unless the Pattullo administration blunders badly during the next few months.

The C. C. F., not long ago regarded as the strongest political unit numerically in B. C., is still badly split.

Other groups, such as Social Credit, are not conceded a chance of substantial success.

Toronto Expenses Below 1931 Level

In commenting upon the trend of civic expenditures in Toronto during the past five years, a bulletin issued by the Toronto Board of Trade makes the following observations:

(1) The cost of general administration has remained practically stationary for the past four years and is 20% less than in 1931.

(2) The cost of protection of persons and property has again decreased and is about 10% lower than in 1931.

(3) The cost of education has remained almost stationary since 1931 and is now about a quarter of a million less than in that year.

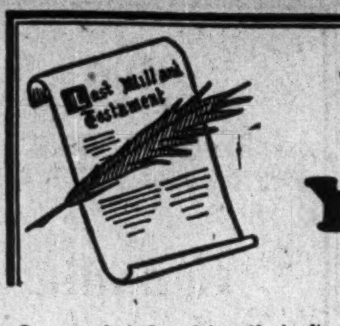
(4) The cost of public health and sanitation has remained almost stationary for five years, and is now over $450,000 lower than in 1931.

(5) The cost of public welfare met out of current funds has more than doubled since 1933 and is almost $2 millions more than in 1932 and 1931 when direct unemployment relief was met out of taxation.

(6) The expenditure on highways and bridges has again declined and is less than that of 1931 by over 31%.

(7) The expenditure on parks and playgrounds has again declined and is now 22% lower than the 1931 figure.

Speeding up the payment of direct unemployment relief out of current revenues is recommended by the Board of Trade to the end that payment of interest on amounts borrowed to meet current expenses cease. The suggestion is made that the pay-as-you-go plan advocated by Finance Commissioner George Wilson be proceeded with at once.



Your Will and Your Estate

What a Will Can Do

Once probated and in effect after death of the testator, a will cannot be altered and revised to suit the convenience of heirs and dependents.

Unlike values of securities and other estate assets which are constantly changing, its items are fixed and the only method by which they can be changed to meet new conditions is by inclusion of discretionary powers for executors or administrators.

"At one time," remarked the head of a large Canadian trust company recently, "bonds of the Dominion, the provinces and municipalities were regarded as the most desirable for estate purposes."

In one sense they continue to be desirable, the same executive points out, but he adds, they have changed in several respects from their status at the time of high interest rates and when no question existed regarding the ability of provincial governments and municipalities to meet interest charges and principal. Mounting relief costs, repudiation policies and changing economic conditions have all combined to produce a new attitude toward bonds once considered the acme of safety for estate purposes.

If for no other reason, the fact that interest rates have declined in recent years calls for a new view of trustee securities and what are loosely known as "gilt-edged" securities for estate purposes. A will properly drawn and naming either a trust company or highly competent private executors may include discretionary powers affecting the disposal of assets or to invest estate funds in securities other than trustee securities.

To Provide Income

Since trustee securities are legally defined with the object of safeguarding estate assets, it is obvious that discretionary powers involving non-trustee securities must be given only after careful deliberation. Two factors are involved; the judgment of the testator himself and the ability and discretion of the executor. The first may, for example, involve an estate which includes high grade bonds with low income yields, held by the testator during his life as a reserve, untouched while earning ability continued. With the death of the testator and the cessation of his business or professional income, it may be found that bonds alone cannot provide sufficient income to maintain the widow or minor children.

Two alternatives arise; to encroach on capital and diminish the value of the estate and its earning power; or to convert the bonds or other trustee securities into others which will yield the necessary income, but without sacrificing safety of principal to an undue extent. A so-called "gilt-edge" estate incapable of supporting dependents is of little real value for the purpose intended by the testator but if executors are wisely chosen and given discretionary powers they may be able to adjust an estate's assets to the ultimate advantage of the heirs.

Discretionary Power

Special provisions of a more detailed nature can be included in all wills, but trust companies and private executors alike have on more than one occasion been compelled to act against their own judgment by the ironclad terms of a will which permits no discretion on the part of those charged with carrying out its provisions.

In this connection, the combined experience, knowledge and facilities of trust companies' estates departments fulfill an important function, and in most cases are better equipped than private executors to carry out discretionary powers.

The fallacy that trust companies "take no interest" in the personal affairs of heirs has long been exploded and their staffs study the welfare and best interests of heirs in much the same manner that a lawyer or doctor attempts to act in the best interests of client or patient. More important where discretion is involved, they frequently make use of the "impersonal" character of a corporation to refuse unwise requests of heirs who might otherwise be able to dissipate estate assets in unwise speculation.

"Model Wills" Dangerous

A will can do a number of things apart from conferring discretionary powers on executors, and because of the wide variety of conditions it may create there is in reality no such thing as a "model will." "Model wills" drawn by competent legal and other authorities with a view to meeting all possible circumstances may be a pleasant professional diversion for a dull afternoon, but they are the bane of existence for executors, heirs and the courts alike.

Printed will forms, obtainable at any large stationer's shop, are in a different category. They are a convenience widely used in making wills, but they are in no sense "model wills," and merely contain the necessary legal preliminaries in printed form.

Special Provisions

Special provisions of a will should make clear whether all estate investments are to be confined to "trustee securities" as defined by Canadian provincial statutes, or whether discretion is to be given for the reasons noted above. Discretion can be given, for example, to invest in securities not authorized as trustee securities, but legal for investment of funds by life insurance companies, but in either case a clearly defined provision in the will should be made.

Trustees may be given special powers to retain investments made at the time of death without liability for losses subsequently incurred, providing they have used reasonable discretion, and in the case of private business enterprises it is possible to authorize trustees to carry on the business or for reasons of the testator, to liquidate it within a stated period. Immediate or postponed liquidation of assets can be determined by will; disposal or retention of real estate, or the appointment of guardians for minor children in the event of the widow's death.

Emergencies cannot be foreseen by the testator who makes his will with reasonable assurance that he has many years of life ahead, nor can the income possibilities of his estate be accurately judged 25 years in advance.

It may be wise, therefore, to provide for encroachment on the capital of the estate in the event of emergencies.

May Buy Annuities

Purchase of government or insurance annuities may also be advisable in cases of beneficiaries and in these lies a double advantage. Dependents who are unable to earn their own living, minor children or grandchildren whose educational expenses must be met in later years, or in cases in which the widow alone survives may all be profitably considered from the standpoint of an annuity to commence at the death of the testator and by means of liquidating part of the estate's assets. A will, properly drawn by a lawyer, can arrange for these and other special requirements.

Attempts to "tie-up" an estate with the best of intentions and for reasons the testator regards as necessary to meet the needs of dependents may defeat their purpose and cause actual loss. Real estate is a case in point, or a family business enterprise which depended on the testator's business ability for its earning capacity.

When Aid Comes Too Late

Discretion for executors actually is less hazardous than it may appear, providing executors are well chosen. The effect of eliminating every element of discretionary power is, indeed, more likely to cause financial loss to heirs. There was recently an instance of a woman, heir to a $300,000 estate, who at 84 was so destitute that she had become an inmate of a home for the aged. True, she knew nothing of the inheritance until it was made known to her by solicitors who located her at the home for the aged, which happened to be in the United States. Meanwhile she had signed a document agreeing to turn over all personal property to the institution, on her entry ten years ago, and the home is now claiming the full amount of her legacy.

The case is unusual and extreme, but it demonstrates what can happen if estates and their assets are so restricted by will that heirs are forced to temporarily seek public charity. Special provisions, discretionary powers given wisely chosen executors, and competent business administration, are all essential to a will which seeks to provide the utmost advantage to dependents.

PARTNER

Kenneth J. Liphardt, who has become a partner in the brokerage firm of Warren, Wilson, Gregory & Co., Toronto, dealers in stocks and bonds.

Obituaries

Stanley T. Skene, 35, assistant manager, main branch, The Imperial Bank of Canada, at Edmonton.

* * *

John C. Hartley, Vancouver mining engineer, murdered in Durango State, Mexico. He left Vancouver last spring on a mining expedition to Mexico.

* * *

James Burton Jarrell, 50, former manager, Spencerville, Ont., branch of the Royal Bank of Canada at Belleville.

* * *

E. H. Laflamme, 80, prominent insurance agency executive and for a time revenue collector at Hull, Quebec.

* * *

Theodore Gatenais, Montreal investment dealer and for many years associated with the firm of Ernest Savard Ltd., in Montreal.

* * *

George H. Redpath, former district manager of the Mutual Life Assurance Co. in the Windsor area, at his home in Windsor. He retired from business four years ago.

May Suggest Reduction In B.C. Gasoline Outlets

From Our Own Correspondent

VANCOUVER.—Reduction in the number of distributing units is believed to be one of the recommendations made by the royal commission which for two years has been investigating the fuel situation in British Columbia.

Details of the report have not been disclosed, and the fact that it was presented to the Government too late to be dealt with at the fall session of the legislature may signify that its contents will remain a mystery until the house meets again in the spring.

A drastic change in distribution methods as a means of reducing costs of gasoline to the consumer is said to have been one of the proposals made in the report, however. So far, only a preliminary survey of the situation has been prepared.

The commission was appointed primarily with a view to suggesting means of improving the province's coal industry, which has suffered heavily in recent years from fuel oil competition.

Coal production has increased during the last few months, however, chiefly due to merchandising policy of the collieries. The Federal subventions have been of considerable assistance, the coal operators say. They have been used to make the cost of bunkering less, and as a result a great many more ships have loaded coal at Vancouver Island coal ports this season.

Interior coal mines have been shipping more to the prairie markets, too, especially to Winnipeg. They have made some arrangement with companies manufacturing gas in Winnipeg whereby they buy back coke used in the gas process and then sell the coke independently. Disposal of coke had previously been a difficult problem for Winnipeg gas companies, but this has been taken off their hands now by the coal operators.

Montreal West Plans $220,000 Bond Issue

The town of Montreal West has been granted permission by the Montreal Metropolitan Commission to float a loan of $220,000 without the backing of the commission. The loan is for the purpose of liquidating the city of Montreal's claim against Montreal West for the town's share of the Riviere St. Pierre trunk sewer and pumping plant.

While permission to float the loan was granted, a resolution was passed forfeiting the right of Montreal West, or any other municipality floating a loan independently, to participate in the pool of the commission. At the present time when a loan is floated by a municipality under the jurisdiction of the commission the bond is pooled with others with the commission at a rate of 4¼%. The commission then issues its own bonds and guarantees a return of not less than 4%.

Pictou County Power Board has been authorized to borrow a sum not exceeding $250,000 for the construction of a steam generating plant at Stellarton, N.S.

Soo Line Net Deficit Greater Than Last Year

From Our Own Correspondent

MONTREAL.—Net operating revenues of the Canadian Pacific controlled Minneapolis, St. Paul and Sault Ste. Marie Railway continue along unfavorable lines. During October the Soo Line had total revenues of under $1.5 million, compared with $1.7 million in the corresponding month a year ago. After deduction of expenses, and making other adjustments, net deficit for the month was $255,890, as against net income of $66,027 in Oct., 1935.

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

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HOW TO DEAL WITH CREDITORS. By "Solicitor." Published by George Allen and Unwin. Price 60 cents.

Although the title might suggest it, this book has nothing to do with Mr. Aberhart's programme. It is a guide to the debt-ridden Englishman and deals with his own laws and his own courts.

MAURYAN PUBLIC FINANCE. By M. H. Gopal. Published by George Allen and Unwin Limited, Toronto.

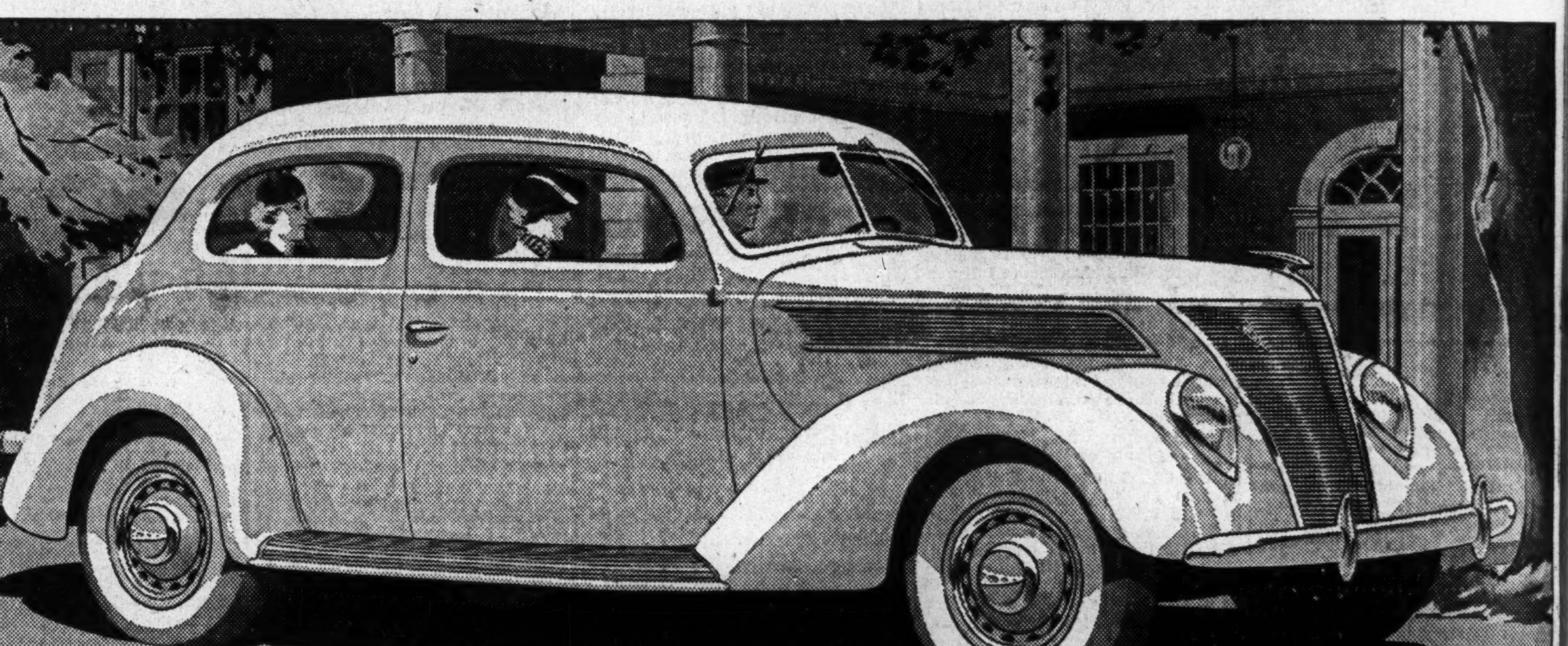
Three hundred years before Christ there was a highly organized state in North India which anticipated many of the financial and taxation methods of modern democracies.

Professor Gopal, of the Economics Department, University of Mysore, has studied the literature of the period to give us an account of its financial technique. He comes to the conclusion that the burden of taxation on the ancient Mauryans was just as heavy as the burden of taxation today.

It is to be hoped that present day ministers of finance will not study this volume. The variety of Mauryan taxes and other revenue sources was indicative of even greater ingenuity and resource than are shown by present day public treasurers. It is not suggested that they might do as was done in ancient Maurya, that is, put tax evaders to death, but there are other ideas for new taxes which most moderns have not thought of.

Professor Gopal's book is written for the technical economist but any ordinary taxpaying citizen will find much of interest and value in it.

THE QUALITY CAR IN THE LOW-PRICE FIELD



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THE FINANCIAL POST

SECOND SECTION

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Dom. Textiles' Profits Calculated as Moderate

J. G. Glassco's Presentation Shows Earnings 5.08% on Company's Assets — Contrasts With Commission Auditor's Statement

From Our Own Correspondent

OTTAWA.—A picture of the earnings of Dominion Textile Co. was presented on the closing day of the sittings at Ottawa by J. Grant Glassco of the firm of Clarkson, Gordon, Dilworth, Guilfoyle and Nash.

Mr. Glassco's presentation differed sharply from that of E. J. Howson, the commission auditor on these major points:

1. Earnings on invested capital.
2. Depreciation allowances on plant and machinery.

Views Differ

Mr. Howson's view was that Dominion Textiles had earned between 1905 and 1936 a total of $14,837,000 on an original investment of only $500,000 cash.

Mr. Glassco contested the fairness of calculating the profits of the company on the sum of $500,000. Mr. Howson, he declared, had ignored the book values of the constituent companies which had been acquired in 1905 by Dominion Textiles.

Inception of Company

The description of the transaction which launched Dominion Textiles was given to the commission by Mr. Glassco in the following terms:

"Taking the transaction as a whole, including the subsequent transaction with the minority shareholders, the company issued bonds to a total of $3,058,400, preferred shares of a par value of $1,440,400, and common shares of a par value of $5,000,000, a total of $9,498,800 in various securities, both bonds and capital. The company later also paid cash as a premium to minority shareholders of $117,109.91, making the total cost to the company of acquisition $9,675,909.

Assets Acquired

"The company received for the above the following tangible assets —First, cash $500,000. Secondly, shares of constituent companies representing the following assets: net assets, land, buildings, plant and machinery, $10,892,706; less, liabilities assumed, bonded indebtedness $4,013,666 and a deficit of working capital $108,414, which, deducted from the land, buildings and plant, left net assets of the constituent companies of $6,770,631. Adding to that amount the $500,000 of cash, the total tangible assets received by the Dominion Textiles amounted to $7,270,631.

"Now, in order to arrive at the amount of these tangible assets which may be said to have been received by the company in respect of the common stock issued by it, we deduct the total consideration paid other than the common stock . . . leaving a balance representing net tangible assets received in respect of $5,000,000 par value of common stock issued, $2,594,721."

Earnings Examination

A statement of the annual earnings of the company on invested capital was placed upon the commission records, covering the period 1905 to 1936.

Examined by C. G. Heward, K.C., upon this exhibit, Mr. Glassco said that the earnings were shown for the 31 years to amount to $32,882,118. The invested capital for the same period was averaged, and shown to be $11,635,869.

"Upon it," added Mr. Glassco, "the company has made the average annual profit of $1,060,713, or 9.12%."

Mr. Heward: "That 9.12 is the average ratio of the net earnings to the invested capital over this period of 31 years, is that right?" "Yes."

The Commissioner (Hon. W. F. A. Turgeon): "I understand you to use words profits and earnings before as meaning the same thing?" "Yes, my lord."

Mr. Heward: "That does not mean dividends?" "No."

"So that the net earnings of the company averaged 9.12% upon the invested capital throughout the 31 years?" "Yes."

Earnings on Value

In the past 16 years, Mr. Glassco estimated, the company had earned 5.08% upon the total value of the company's assets in the books.

He did not go back further than 1920 because in that year there had been a very thorough appraisal, in which the additional values due to the increment of prices during the war had been included.

Later comparing the return on invested capital in the five-year period 1927-31 with the five-year period 1932-36, Mr. Glassco said that the return in the early period was 9.62%, but in the second it was only 4.84%.

Mr. Heward: "In other words, the average return was cut in half?" "Approximately."

Mr. Heward: "And that is emphasized when you look at the comparison of earnings and dividends paid for the two periods, is it not?"

"Yes, the earnings in the first period totalled some $9,031,251; dividends paid on preferred and common stock in the same period were $6,809,863, resulting in the reinvestment of earnings of the difference, or $2,221,387. In the second period, however, the picture is reversed, and the dividends paid, totalling $7,091,710, exceeded the earnings by $4,551,000 so that the dividends in excess of the earnings had the effect of reducing the invested capital by $2,539,902."

Mr. Glassco found himself unable to agree with Mr. Howson's calculation of profits over the 31-year period. His own statement showed about $32,800,000, whereas Mr. Howson's figure was larger by $17,263,728.17 "which Mr. Howson adds to the profits and describes as follows: 'Approximate surplus values in plant provided by over-depreciation and excessive charges to operations for equipment, repairs, etc.'"

Mr. Glassco did not agree that there was over-depreciation. The annual write-off, he said, was reasonable, and well within the figures permitted by the income tax department.

Mr. Heward: "Now, in showing the earnings on the invested capital you used the profits shown by the books?"

"In the absence of any evidence that the books are not absolutely accurate I must, and I have done so in preparing these statements."

Queried by McRuer

Mr. Glassco was cross-examined at considerable length by J. C. McRuer, Commission counsel, on both points: whether the original investment was actually $500,000 in cash, and whether there had been over-depreciation which should be added to real profits.

Mr. McRuer contended that in 1905 a syndicate secured control of the Dominion Cotton Co. Even though the minority shareholders were objecting very strongly, the syndicate arranged a deal selling the assets to a new company, which they controlled, at $2,094,000 less than they were worth, if Mr. Glassco's statement about the matter was sound. Mr. Glassco did not agree.

"They gave the shareholders $2,094,000 less than the books of the constituent companies showed that their shares were worth," Mr. Glassco amended.

Mr. McRuer: "All right. Now you are going one step further and saying: I take that into the capital of the new company because they were worth it."

Mr. Glassco: "I do not think that is quite the case. Let me just explain that. I say that the price at which the distress shareholder is ready to part with his shares is no evidence that the tangible value of the assets is not as indicated by the books of the company."

Values Disputed

The witness was unable to agree with Mr. McRuer's contention regarding depreciation, that if the property has the insurance appraisal value now of $22 millions and there is on the books a value of $4,917,000, then "it has been over-depreciated or else reconstructed out of profits to the extent of $17 millions."

Mr. Glassco: "We wrote into our books approximately $10 millions in 1920 (because of increment in values during the war) which was there then, which is still in the book values, which may still exist. We do not know whether it exists or not. But we cannot compare on the one hand, depreciated cost, which is one thing, and on the other hand an insurance appraisal which has no relation to depreciated cost and which includes not only depreciated cost but includes the undetermined increment."

Manitoba Hydro Boosts Revenue

From Our Own Correspondent

WINNIPEG. — Manitoba's Hydro Commission has reached the satisfactory stage in which its operations are more than paying their own way. Announcement is made this week, by H. C. Cottingham, commissioner, that with the November accounts credit notes will also be sent to the customers of the service.

This is an innovation but is largely due to the greatly increased number of customers and amount of power now being used, practically all of which comes from the plants on the Winnipeg River.

The total amount to be distributed has not been made public but will run to about 10% of the November accounts.

Total income for the first nine months of the current year was $704,944.54, an increase of $47,548.97 over 1935.

Moderates Record Gains In Sask. Municipal Vote

REGINA.—Saskatchewan's municipal elections have resulted in practically no gains for left wingers. Moderates gained or held their numerical strength in the nine cities, Regina switching from a labor alderman in one ward to a moderate.

In the towns and rural municipalities little change occurred in personnel of last year's councils and control appears to be in the hands of moderately inclined councillors. Social Credit did not figure except in an indirect manner. An association known as the Civic Progress Association, containing such elements as former Social Credit candidates, C.C.F. extremists and other left wingers tried its strength in Moose Jaw and Saskatoon but failed to elect a candidate.

At Yorkton, where considerable agitation among relief takers had been heard during the past year, the labor candidate was defeated. Changes occurring among aldermen do not alter the complexity of councils, which for the most part are moderate in their views. Acclamations at country points were numerous.

In Regina, Mayor A. C. Ellison, labor, definitely broke with the radical element. As a result he recorded a gain of 1,488 votes over the previous year. The vote conclusively revealed a trend toward moderately inclined candidates.

$30 Millions for Power

Ontario Hydro Reported Planning Ultimate Development Of Additional 200,000 h.p. at Queenston; DeCew First?

Back to Niagara Ont. Hydro Plan

This illustration of the Niagara River and DeCew Falls plants of the Hydro-Electric Power Commission of Ontario shows where the Commission may eventually obtain additional electric power. The dotted line represents possible duplication of the present canal to bring water from above Niagara Falls to a new plant at Queenston.

For DeCew Falls, there is the possibility of drawing water from the Welland Canal, storing it, and dropping it through new plants at DeCew Falls to generate power in brief periods of peak demand.

By C. W. STOLLERY

It is reported unofficially to The Financial Post that the Hydro-Electric Power Commission of Ontario is considering plans for ultimate development of additional firm power at Queenston, below Niagara Falls, involving capital expenditures which might amount to $30 millions. However, this is not an immediate probability but a long-range plan.

Less than six months ago, Hon. A. W. Roebuck, Ontario Attorney-General and a Hydro Commissioner, gave a broad hint of the Government's "back-to-Niagara" policy for Hydro power, as follows:

"The commission has plans for the development of continuous power at Queenston in very considerable figures which, if carried to completion, will supply the steady demand of the system for many years to come, and the further storage basin capacity at DeCew Falls will make possible, some time in the future, the furnishing of an additional 250,000 horsepower to handle short periods of increased daily demand."

Another Canal

It is said plans are being drawn by the Hydro for a duplicate canal from Niagara Falls to Queenston to carry the present supply of water from the head of the falls down the river. This would mean scrapping of old power plants now operating at the Falls and installation of another huge power development at Queenston.

By this means, it is said, it would be possible to develop perhaps 200,000 h.p. more than at present without using any more water than is now allowed under international boundary water agreements. The water would drop over 300 feet at Queenston compared with less than 200 feet at the Falls.

Independent engineers suggest that $150 per horsepower would be a moderate cost to develop 200,000 additional horsepower in this manner, making a total cost of $30 millions.

It has also been mentioned recently, as an alternative in the Hydro's "back-to-Niagara" policy, that it would be possible to purchase the Canadian Niagara Power Co. operating at Niagara Falls. The company's franchise does not expire for over 50 years and purchase would be costly and seems improbable. But it is an ultimate possibility.

Increasing Loads

Mr. Roebuck's remarks quoted above imply that peak power loads of the major Niagara system of the Ontario Hydro are expected to increase materially in time.

The "back-to-Niagara" policy suggests that Quebec power companies need have no hopes that the Hydro will return to its former policy of purchasing outside power in large quantities; at least not under the present Government. In this connection, however, it should be noted that the Hydro reserved the right to take power from Ottawa Valley Power Co. even in preference to increasing the new Gatineau contracts, at the time when the latter were made.

The proposal to develop "250,000 h.p." at DeCew Falls to meet peak power loads would involve comparatively moderate capital expenses in relation to the huge sums involved in any scheme to develop more power at Queenston. And the DeCew Falls project might come first, since power to meet peak winter loads would be the earliest need provided the power load continues to grow.

The DeCew Falls scheme would involve taking water from the Welland Canal and storing it to run through new generators at periods of peak demand for power. Whether this is feasible for large amounts of power may be debatable. It depends on such factors as the amount of water available, and the duration and size of peaks of demand for power.

October Peaks

Primary power load of the huge Niagara system of the Hydro-Electric Power Commission of Ontario was so high in October as to indicate that new record peaks will be shown for November and December.

The October peak load of primary power was 989,275 h.p., or 6.5% more than in the same month in 1935, and exceeding the peak load of 988,740 h.p. established in December, 1935. November and December, the darkest of the cold months, invariably establish the year's highest levels of power consumption.

If the same rates of increase were experienced in the peak power loads for November and December, The Financial Post calculates that the peaks of primary power consumption will exceed 1,050,000 h.p. in these months.

This leaves out of consideration the load of secondary, or "off-peak," power. This secondary power represents energy not in general use at certain times of day and is sold at low wholesale rates to large industrial consumers.

Quebec Sources of Power

Following cancellation of its contracts with Quebec power companies, the Ontario Hydro's power resources to meet increasing demand have been reduced materially. The commission's report shows maximum developed firm power for its Niagara system of some 926,000 h.p. In addition, it has 40,000 h.p. from Maclaren-Quebec Power Co. and a maximum of 259,000 h.p. from Gatineau Power Co.

Although only 140,000 h.p. is being taken from Gatineau as firm power, this includes recent increases totalling 40,000 h.p., and there are expectations that further increases may be made eventually. Some power authorities believe that with recovery of business the Hydro's need for power may be sufficient by 1937 to require firm delivery of nearly all the Gatineau power. There is also the possibility, of course, of obtaining power from Ottawa Valley Power Co. if the present lawsuit over cancelled contracts is settled, although this power is not needed at present.

Increases in power loads of the various Ontario Hydro systems in Octber are shown below:

Ontario Hydro Primary Power Loads
(Maximum 20-Minute Peak Horsepower)

Systems:	October 1936	October 1935	Incr. %
Niagara	989,275	929,222	6.5
Eastern Ont.	111,421	103,559	7.6
Georgian Bay ...	26,555	27,534	*3.6
Thunder Bay ...	83,090	66,823	24.3
Northern Ont. ..	101,203	66,209	52.9
Total	1,311,544	1,193,347	9.9

*Decrease.

Eastern System

While the Niagara system is the largest, the Eastern Ontario system is also important in the increase of power loads. The eastern system requires 60-cycle power whereas the Niagara system is 25-cycle energy.

In addition to developed energy of about 62,000 h.p., the Hydro contracts with Gatineau Power Co. for 60,000 h.p. for Eastern Ontario, but not all of this is being delivered. There is a little further leeway in power supplies for Eastern Ontario by exchange from the Niagara system through conversion of 25-cycle into 60-cycle power.

Based on the rate of increase in the power load in October, the Niagara and Eastern Ontario systems have possible peak loads for primary power in December, 1935, as follows:

December Load Possibilities

	*Possible 1936	Actual 1935
Niagara System	1,053,000	988,740
E. Ontario System ..	115,330	107,185

*Based on same percentage increase as in October.

Expect Payment On Burns Bonds

Full 5 Per Cent Interest for Year on Income Bonds Forecast

It is believed probable the full 5% interest for 1936 on income bonds of Burns & Co. will be paid when due on April 1, 1937.

The company's business for November showed improvement and officials expect this betterment will be maintained in December. The early months of 1936 were not up to the 1935 level, and consequently earnings for the first 10 months of the year showed a decrease in net income compared with the 1935 period. The later months, however, have shown marked gains.

Export Market Better

Improvement in the export market accounts partly for the gains over 1935 now being experienced.

Under the terms of the 1934 reorganization, the company has to arrive at the amount available for income bond interest for 1936 by March 15, 1937. It must pay interest on April 1 on the income bonds up to 5% provided that it is earned and provided that payment does not reduce net liquid assets below $2¾ millions. These net assets were $2,821,248 at the close of 1935 and are understood to have increased in 1936.

Manning's Illness Creates New Handicap for Aberhart

From Our Own Correspondent

EDMONTON.—Withdrawal from active duties for an indefinite period of Hon. E. C. Manning, youthful Minister of Trade and Commerce and executive head of the Social Credit programme in the Aberhart cabinet, is a serious loss to Premier Aberhart at a critical juncture in the credit experiment.

Mr. Manning has stood closest to Mr. Aberhart, in the relation of an intimate confidant, throughout the vicissitudes of 14 months of the Aberhart régime. His absence inflicts a personal, as well as political, handicap on Mr. Aberhart, and will create difficulties for the Prophetic Bible study work, carried on every Sunday at Edmonton and Calgary. In this work Mr. Manning has borne an equal burden with the Premier since their advent to office. Cancellation of the Edmonton meeting is a possibility, and two weeks ago Mr. Aberhart suggested such a course, though for the reasons of failure to meet expenses and the need for conserving his own strength.

Mr. Manning's leave is expected to be an extended one, so that his absence is likely to cover the practical test of the Aberhart credit experiment.

The heavy strain of administrative duties, combined with the added burden of Sunday preaching undoubtedly contributed to the breakdown of Mr. Manning's health. The strain on Mr. Aberhart, too, has been noticeable recently.

Albertans generally have taken pride in having in Mr. Manning the youngest cabinet minister in the British Empire.

His successor, for the time being, is Hon. Dr. W. W. Cross, Minister of Health, who also administers the relief bureau. Hon. J. W. Hugill will handle the duties of provincial secretary. The main details of the Social Credit programme, however, are in the hands of Dr. Cross, who will be assisted by Hon. J. L. P. Maynard, minister without portfolio. The exact division of duties is not clear.

Dr. Cross is one of the radical, or impatient, group in the Aberhart cabinet, and if given a free hand may be expected to proceed actively with the Alberta Credit scheme. His speeches reveal an inclination toward radical experimentation.

His administration of relief has been such as to make him unpopular with relief recipients. One of his recent articles advocated substitution in part of Alberta credit for cash relief allotments. He is now in a position to give effect to such a proposal.

B. C. Ministers Visit New York

Stress Sound Financial Position of Province in Quest

From Our Own Correspondent

VANCOUVER. — British Columbia's Premier and Finance Minister have left for the East, their primary purpose being to convince financial circles that British Columbia is committed to a policy of sound money and does not intend to follow the lead of certain western radicals in experimenting with economic gymnastics.

Although Premier T. D. Pattullo and Finance Minister John Hart will attend conferences in Ottawa on interprovincial affairs, they make no secret of the fact that their side-trip to New York will probably be of equal, if not greater importance. British Columbia wants a loan of $5 millions and a refunding plan, and Mr. Hart will lay the groundwork for negotiations toward that objective when he goes to New York.

The biggest handicap Messrs. Pattullo and Hart will have to overcome, financial men here believe, is the tendency to group all the western provinces in the same category with Alberta.

At the Ottawa conference they will make a plea for federal abandonment of the direct taxation field.

10% Rail Wage Boost Would Cost Millions

Workers and Railways Present Cases Before Board of Conciliation on Restoration of Wage Reductions

From Our Own Correspondent

MONTREAL.—Claiming that living costs are not a factor in wage cut restoration, Canadian railway employees' representatives argued before the board of conciliation appointed by the Dominion Government, that the 10% deduction being made in their pay cheques should be terminated chiefly on three grounds:

(1) The general improvement in economic conditions;

(2) Termination of similar deductions 18 months ago on United States railwaymen's wages;

(3) Increased efficiency and productivity of Canadian workmen.

Howard B. Chase, spokesman for the 17 railway labor organizations involved, stressed the increase in efficiency of the Canadian railwaymen during the past two years. He pointed out that today they did more work for less pay than they did 15 years ago. More revenue traffic was handled per dollar of wages than ever before, and the public was receiving the highest type of service ever offered, he claimed.

Attack Living Cost Index

The Department of Labor's cost of living index was attacked by Mr. Chase, who said it was defective and out of date and could not be compared with a similar index for the United States.

Argue for "Real Wages"

George Hodge, manager of personnel for the Canadian Pacific Railway, speaking on behalf of the railways, claimed the "real wage" rates of pay of Canadian railway workers had increased from 11% to 14.5% since the basic rates were established by agreement from 1926 to 1929, whereas the operating revenues of the Canadian National and Canadian Pacific were still 36.8% and 36.2% respectively, below the level of those years.

Mr. Hodge pointed out to the board that the restoration during 1935 of one-third of the 15% deduction from compensation calculated on the existing basic rates previously in effect, which was conceded to the employees in anticipation of increased operating revenues and which did not develop to the extent counted on, cost the railways in that year $7.1 millions.

Deficit on Balance

"This amount exceeded the total increase in the operating revenues of the railway during the year," Mr. Hodge added. "In addition, there was increased working time to employees and additional men engaged in the service, so that altogether the wage payments for 1935 over 1934 exceeded by $1,380,149 the increased operating revenues of the railways.

"The justification for the position of the railways is emphasized when it is borne in mind that the returns of the Canadian and United States Governments respectively for 1935 show that the number of railway employees for each million dollars of railway revenue in Canada was $411 as compared with $288 in the United States. This means that for equal units of earnings there are 42.7% more employees on the Canadian railways than on the railways in the United States. This comparison is a startling one in view of the railway problem which Canada is required to meet," said the railway's representative.

Effect of Competition

Mr. Hodge referred to the increased operating costs and to the "substantial and numerous" reductions in passenger and freight rates, due to severe competition of buses and trucks on the highways.

"If in the year 1925 the two railways had earned the same rates per ton mile that they earned in 1921, their operating revenues would have been $52.9 millions more than they actually were. Even as compared with 1929, the earnings in 1935 would have increased $29.3 millions," he added.

The large capital expenditures also required for the modernization of railway coaches were also referred to.

Public Must Pay

"But important as are the interests of the railways and of their employees, it must be recognized that the public interests are paramount," Mr. Hodge said, in pointing out that any further increases in wage rates and operating costs of the railways would be contrary to public interest. The justification for the statement was the fact that the railways could not assume any increased operating costs without applying for advances in rates for transportation of passengers and freight.

Both sides will be given the opportunity to prepare statements in rebuttal, but a decision will not likely be handed down by the board for several weeks.

Rebukes B.C. Audiences Listening to Aberhart

G. Lyall Fraser Protests Vancouver's Receptive Attitude to Visits of Alberta's Premier

From Our Own Correspondent

VANCOUVER. — Contemplation of British Columbia as a fertile ground for Social Credit doctrines and the occasional "missionary tours" of Alberta's Premier Aberhart to the coast province are keenly resented by business interests here, who claim that the inevitable effect of such things is to impair British Columbia's credit.

Just at a time when British Columbia is trying to build up its credit in the financial markets for possible refunding, the unsolicited visits of Mr. Aberhart here are anything but welcome to those who take a serious view of the province's finances and are confident that a sound money policy is the only way to recovery. His visits would be unimportant were it not for the fact that Mr. Aberhart invariably makes speeches while in Vancouver, "preparing the way" for the political campaign which is being engineered by his followers at the next provincial election.

Investment Dealer Complains

The viewpoint of a wide section of Vancouver businessmen was expressed by G. Lyall Fraser, prominent investment broker and former president of the Vancouver Bond Dealers Association when he addressed the civic bureau of the Vancouver Board of Trade.

After quoting statistics to show that Vancouver was not nearly as badly off as her detractors would make out and that the city's position compared favorably with that of most other large Canadian cities, Mr. Fraser alluded to the propaganda spread by Mr. Aberhart.

"I regret very much the fact that peregrinating provincial premiers who seem willing to jettison any or all of the present institutions which go to make up the business structure of today, and which institutions have been evolved from generations of experience for the most part painfully gained, are in demand as speakers for Vancouver audiences of service clubs and other organizations.

"I had the—to me—unpleasant experience of hearing at the Canadian Club what I presume is a typical address of Premier Aberhart. I think it would be difficult to compose a more un-Canadian or un-British speech unless the hinted at commonwealth of Alberta-British Columbia were to still the boast of British citizenship. Of all the unfair and untrue pictures which he drew I hope never to hear again the like in serious company. His subject was 'Alberta the Technical Defaulter.' If there is anything technical in having an issue of $3,200,000 bonds become due on April 1, 1936, and no provision whatever made to discharge them then I do not know what it is.

Overlooks Big Payment

"When Mr. Aberhart in modestly suggesting that Alberta was in good company in being in technical default because Great Britain has defaulted on her war payments to the United States, he might at least have mentioned that Great Britain has not defaulted on the issue of $143,587,000 Gold 5½% bonds issued in New York in 1917 and due Feb. 1, 1937 not three months from now. The fact that the New York market is today bidding $121 per $100 for the bonds does not indicate any lack of confidence, not only in the provision for payment for the bonds but for payment in gold.

"Mr. Aberhart said that although the banks cut the interest rate on savings deposits from 3% to 2% no one accused them of default. He insinuated that there was at least a technical default. What a miserable misrepresentation! The banks did not default on any contracts and if you were not prepared to take the lower rate you had the privilege of withdrawing your money which is more than can be said for the unfortunate depositors in the Alberta Government Savings Bank!

"Mr. Aberhart then appealed to the sympathy and fairness of the audience by saying—'What we have done has not been from choice but from necessity, what else could we do?' I would say he can leave the conduct of the affairs of a financially embarrassed province to those who know something about these matters.

Regrets Lack of Resentment

"The worst feature of this matter, as I see it, is that the audiences in Vancouver who hear Mr. Aberhart do not appear to resent such unfair representations. I purposely asked several business and professional men how they liked the speech, and most of them said—He seemed very sound to me, or that he said nothing to which anyone could take exception. If that is the attitude of mind of the majority of our people then is it any wonder that our credit is impaired by the threat of our adopting Social Credit or any other experimental nostrum?"

Vancouver Tax Sale Regarded as Failure

From Our Own Correspondent

VANCOUVER.—What was expected to be the largest tax sale in Vancouver's municipal history was generally regarded a failure this week, when it was disclosed that of 12,000 properties offered, a record, only a few more than 300 were sold, many of these being acquired by mortgagors to protect their equity. The property not disposed of reverted to the city.

Pack Largest Since 1930

From Our Own Correspondent

VANCOUVER.—With the canning season practically ended, British Columbia's salmon pack has reached a total of 1,848,061 cases, the highest figure since the record year of 1930.

Your Investments

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Building Products

I am indirectly interested in Building Products and would like to know what is the opinion regarding this company and its earnings.

Building Products is generally recognized as a soundly managed, financially strong, company dealing in building materials. At the end of last year the company had current assets of over $2 millions as against current liabilities of only $80,798. The former are largely made up of cash and marketable securities. The company has no bank loans, and no funded debt.

In regard to earnings and dividends, the company's record has been favorable. While net income in 1932 dropped to a very low point, still the company, largely through reserves built up in more prosperous years, has been able to maintain dividends throughout the depression years. Earnings last year totalled $1.27 a share, including approximately 20 cents a share derived from "recovery of depreciation on property sold." In 1934 earnings per share were $1.28.

Consolidated Paper

Will you be kind enough to let us have your views on the outlook for Consolidated Paper Corp. bonds?

Consolidated Paper's outlook appears promising. Demand for newsprint is increasing steadily and there should be a better price for the product over the next few years. Consequently it is expected income of Consolidated Paper will advance. Under the plan recently put forward for consideration of the bondholders, the company will be relieved of the obligation of paying cash interest over the next three years. This should give the company an opportunity to rehabilitate its financial position.

Canadian Hydro

We would like a report on Canadian Hydro Electric Corp. 6% preferred cumulative stock.

The position of Canadian Hydro Electric Corp.'s first preferred stock has undergone an improvement as a result of increases in deliveries of energy to the Ontario Hydro Electric Power Commission and also on an increase in sale of power to other customers. The revision of the contract held by the company's subsidiary, Gatineau Power Co., with the Ontario Hydro, resulted in a sharp reduction in earnings. It had been estimated that on the old basis, net income available for Canadian Hydro Electric on the basis of minimum deliveries to Ontario Hydro, would not be sufficient to cover the dividend on the first preferred stock. It now appears income for 1936 will be more than sufficient to pay the 6% dividend on this stock, while the prospects for 1937 are encouraging. However, there is no indication (despite this improvement) of a resumption of dividends on the first preferred. It is assumed the management will defer making a decision until such time as it sees how earnings are likely to shape up on a long-term basis.

Western Savings

I have been advised to invest in savings certificates of Western Savings & Loan Association. How are these considered as an investment?

Western Savings & Loan Association sells savings certificates which call for monthly deposits. There is some expense involved in the sale of these certificates, and in the early portion of the deposit period the cash surrender value of the certificate may not be as much as the actual cash deposits. Consequently, it is important for the depositor to be able to maintain his payments over the whole contract period in order to get the maximum benefit from the plan.

At June 30, 1936, the company showed certificate liabilities of $782,000. As security to cover these liabilities, the company had some $568,000 in cash, Government bonds and interest, $417,000 in mortgages, and some $36,500 of certificate loans. The company's resources have been growing for some years, and the investment policy has been conservative. A most important factor is the management of the company's investments. Losses on mortgages have been negligible owing to careful selection of risks.

Fanny Farmer

Have the shares of Fanny Farmer Candy Shops gone too high to be regarded as a profitable investment?

The common shares of Fanny Farmer Candy Shops have certainly risen substantially, following the doubling of the dividend rate last year, and recent payments which indicate an annual rate of $1 a share on the common stock. It is impossible to foresee whether the shares have gone too high to be a profitable investment. The company operates candy stores in the United States on a unit system by which a local studio, or factory, supplies candies to shops in the vicinity, thus ensuring fresh supplies at all times. This system of operation appears to offer considerable further scope for expansion of the chain, since it covers only the major areas of high population in the United States. As the chain has expanded, earnings have recovered rapidly.

Photo Engravers

Are earnings of Photo Engravers high enough to cover the present dividend?

Photo Engravers & Electrotypers Ltd. showed earnings of $1.71 a share last year, compared with $1.79 a share in the preceding year. Thus, the semi-annual dividends of 50 cents each, totalling $1 a share annually, are covered by a wide margin. However, the company's record does not suggest wide fluctuations in earnings, but rather comparative stability. Therefore, while recent earnings suggest that occasional increased dividend payments could be made, there may not be any sensational expansion of returns to shareholders.

Canada Cement

I hold a few shares of Canada Cement preferred stock and am anxious to know if the company is likely to pay dividends in the near future.

There is no indication of Canada Cement Co. starting to pay dividends on its first preferred stock out of earnings. For the eight months ended July 31, 1936, consolidated profits from operations totalled $1.3 million before depreciation, bond interest and income taxes, compared with $963,108 for the corresponding period of 1935. Naturally it is expected the report for the year ended Nov. 30, 1936, will show an improvement over the previous 12 months when the company earned 19 cents a share on the preferred stock. The refunding operation which took place recently is not expected at this time to add materially to earnings on the preferred.

One factor to keep in mind in regard to the preferred stock of Canada Cement is that the company is able to earn its bond interest and depreciation on a much smaller volume of business than heretofore. Consequently if there is even a moderate pick-up in demand for cement, the company could quickly re-establish earning power on the preferred. Prospects are encouraging, but until such time as they become an actuality there is no particular reason for anticipating a payment on the preferred.

Ford of Canada

What is the present dividend basis for Ford of Canada?

Ford Motor Company of Canada had a satisfactory year in 1936, and is looking for improvement in 1937. The shares have only recently been placed on a regular dividend basis of $1 a share annually, payments of 25 cents each to be made quarterly. Previously, dividends have been paid irregularly, which made the investor's income somewhat unstable. The company obtains a substantial portion of its revenue from its companies outside Canada. The effect of this is that all earnings may not be shown in one year's statement. The company is in a very strong liquid position and is a leader in its field.

Cockshutt Plow

Is Cockshutt Plow a perfectly safe investment?

Shares of Cockshutt Plow Company can hardly be regarded as "perfectly safe investments" in view of the fact that the company has had five successive years of deficits.

Although this year has not turned out as favorably as originally expected, the company is in a fairly good liquid position considering the difficulties of its rural customers in recent years. Last year, working capital was $3.4 millions, and the company had inventories and receivables both in excess of all current liabilities. The only obligation senior to the 300,678 common shares is a bank loan which eventually may be liquidated if farm income recovers.

Anglo-Can. Telephone

Would you be good enough to let me have a brief review of the earning power of Anglo Canadian Telephone Co.?

Anglo Canadian Telephone was incorporated toward the end of 1934 and the first financial statement, covering the period from June 1, 1935, to Dec. 31, 1935, showed net profit amounting to $351,590, after deducting salaries and miscellaneous expenses, taxes and interest. During this period the dividend on the preferred stock was earned more than twice over, while earnings on the class A stock amounted to 36 cents a share; and 38 cents a share on the class B stock. Dividends have been paid regularly on the 7% cumulative preferred, while an increasing amount has been distributed on the class A shares.

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C. N. R. 5's

Would reorganization of the C.N.R. capital affect the value of my holdings of Dominion-guaranteed C.N.R. 5% bonds?

The proposed re-capitalization of the C.N.R. has nothing to do with the railway's bonds outstanding in the hands of the public.

Your bonds would not be called as far as we know. There is no legal method by which the Dominion could repudiate its obligation to meet full interest charges on the bonds or redeem them until they become callable. And we have no expectation that the Dominion Government would take illegal or arbitrary measures to refinance the bonds.

The high market price is an indication of the general opinion that the bonds will not be disturbed. It also indicates the low prevailing level of interest rates. Should interest rates eventually rise, the price of your bond would decline. This is probably a more important point for you to watch than the re-capitalization which is concerned primarily with entries in the books of the Government and of the C.N.R.

Brantford Cordage

Is Brantford Cordage earning its preferred dividend requirements?

Brantford Cordage Co. covers the dividend on its first preference stock by a wide margin. The chief disadvantage, if it can be called that, is that the company's business is largely in one line, the manufacture and sale of binder twine. However, it has a long record of satisfactory results for the first preferred shareholders.

United Steel "A"

I have received an offer of $12.50 a share for the class A preference shares from United Steel Corp. What are the prospects for the company and what effect will the company's offer have on the preferred shares?

United Steel Corp. class A preferred shares are approximately $13 bid among unlisted dealers at present, so that if you require cash you could get a slightly better price by selling on the open market than by accepting the offer of $12.50. We understand, further, that some investment trust holders are retaining their shares rather than turning them in.

United Steel Corp, formerly Dodge Manufacturing Co., is understood to be having better results this year. Also, the major subsidiary, Standard Steel Construction Co., has been paying substantial amounts off the arrears on its preferred shares. This may mean, eventually, that United Steel will be able to draw dividends on the 112,000 odd shares it owns out of the 120,000 Standard Steel common shares outstanding.

The dividend of $1.50 a share on United Steel class A preferred shares becomes cumulative soon, and we understand there is a good chance that the company may be able to start payments before 1937 is out. To the extent, of course, that the current offer may reduce the amount of outstanding class A preferred shares, the remaining shares will benefit.

Corrugated Paper Box

Are the 7% preferred shares of Corrugated Paper Box considered a good investment around 86?

The discount on the shares at current market prices reflects investment opinion of the risks involved. The company earned $8.92 a share on the preferred stock last year, compared with $7.62 a share in the preceding year. We understand a slight increase has been experienced this year.

The company was unable to pay dividends through the depression, and capitalized $33.25 a share of arrears of dividends on the preference stock. In normal times, the company has shown ability to cover the preference dividend but not by an unusually large margin. Because of the high yield, some investors are attracted to the shares but in the comparatively short history of the present company earnings and dividends have been somewhat erratic.

Pressed Metals

What are the prospects for Pressed Metals?

Pressed Metals has been increasing its business volume very sharply in the last year or two. The chief reason is that the company specializes in manufacture of automobile parts, and that it sells regular lines to the large motor firms.

The common shares have risen very substantially, reflecting the high volume of business, which has necessitated installation of additional plant equipment. The present price of the shares appears to discount a considerable portion of the improvement.

Toronto Gen. Trusts

What effect will new mortgage legislation in Alberta and Saskatchewan have on the position of Toronto General Trusts Corp?

At the end of 1934, the company's total mortgage investments were $15.9 millions, and 35.6% of them were in Saskatchewan, but only 7.3% in Alberta.

The company's capital is $3 millions, and it also has a reserve fund of $1.5 million. The reserve appears to be fairly large in proportion to investments, and the company has already appropriated over $2 millions from the reserve to protect investments, indicative of substantial provision already made for losses.

In view of the withdrawals from reserves in the depression, it is hardly likely that the company will show substantially increased profits until it has built up its internal reserves. Meanwhile, however, it has reduced cost of interest paid on deposits and on debentures, and has reduced its dividend to $4 a share, compared with earnings of $6.39 a share in 1935. When you consider that the earnings have dropped from $15 a share, and the dividend from $12 a share, and in view of the large provisions for possible losses, it appears that the company's accounts have been placed in a conservative position.

Canadian Canners

Kindly advise me as to the position of Canadian Canners common stock?

The company is having a considerably improved year, and may, therefore, be able to resume dividends on the second preferred stock, which is convertible, share-for-share into common stock. The company has never paid the full participating rate of $1 a share on the common stock, and the hope of dividends for the second preferred is better than the outlook for the common. The second preferred is entitled to 60 cents a share before the common gets anything, yet also shares up to $1 a share with the common.

The business is not of a regular nature, depending to a considerable extent on fluctuations in markets and prices for food products, but at times the shares have sold at higher levels than those now prevailing. While the current year looks like a good one for the company, it is impossible to foretell what the next season will bring.

International Petroleum

There appears to be conflicting opinion as to whether International Petroleum can continue to pay present dividends and bonuses unless earnings are higher. Would like your view.

International Petroleum's earnings in the last year were equivalent to $1.65 a share, although dividends of $2.50 a share, including bonuses, are being paid. Apart from the fact that the company's large reserves enable it to pay this extra bonus for some years even though it may not be earned, net income has improved.

The company's policy of paying bonus dividends totalling $1 a share is based on the hope that eventually earnings will cover the full dividend as well as on the powerful financial position.

Investors' Syndicate

I am contemplating an investment in Investors' Syndicate. Is the company in sound financial condition?

Investors' Syndicate sells savings certificates on which the purchaser makes regular deposits over a period of years. As in the case of an insurance contract, costs of selling, which are absorbed largely in the early years, are substantial, and the investor must be sure of his ability to maintain payments over the whole certificate period in order to get the maximum benefit.

The company has been in operation for many years, and the balance sheet at May 31, 1936, shows assets of $79.2 millions, including $5.3 millions cash, $26.2 millions in bonds, $30.1 millions in first mortgages and other assets. Its liabilities for cash surrender value of certificates amounted to $57.1 millions, and in addition the company showed a reserve of $10.1 millions for contingencies, $6.6 millions for certificates, and $1.8 millions, capital and surplus.

Thus, there appears to be a considerable margin over and above the cash surrender certificate liabilities.

Distillers Shares Listed in Toronto

New Preferred To Be Posted Simultaneously in New York

New 5% cumulative preferred stock of Distillers Corp. Seagrams Ltd., has been approved for listing on the Toronto Stock Exchange. It will be posted for trading simultaneously with the New York Stock Exchange.

The new preferred shares are of $100 par value, authorized to the extent of $20 millions with $15 millions to be issued and outstanding. Dividends are cumulative quarterly at the rate of 5% from Nov. 1, 1936, the first payment to be made Feb. 1, 1937 in U. S. currency. Each share of the preferred carries a warrant entitling the holder to purchase one share of common stock at prices ranging between $28 per share on or before April 30, 1938 up to $32 per share at later dates. The issue is redeemable at $105 plus accrued dividends in U. S. currency. Proceeds are to be issued for retirements of $18 millions in bank loans.

Price Fixing Charged

Subsidiaries of the company in New York and Massachusetts are reported to have been accused, along with other companies, by the Federal Trade Commission, of fixing liquor prices by unlawful agreements with distributors to "black list" and cut off supplies of price cutting retailers. Fixed uniform resale prices, discounts and mark-ups at which their products should be sold by wholesalers and retailers are charged against the companies involved.

Elected to Dosco Board

From Our Own Correspondent

MONTREAL.—Col. J. L. Ralston, K.C., Montreal, and J. McGregor Stewart, K.C., Halifax, have been elected directors of Dominion Steel & Coal Corp. and of its subsidiary, Dominion Coal Co.

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Quebec Anti-Power Trust Bloc Continues Opposition

From Our Own Correspondent

MONTREAL. — Urging public ownership of Beauharnois Power Corp., Dr. Philippe Hamel, Union Nationale M.L.A. for Quebec Centre, and J. E. Gregoire, mayor of Quebec and M.L.A. for Montmagny, continue actively their fight for lower electricity rates and break-up of the "power trust" in the province.

"Never can the people expect to get just and fair electricity rates until we bring about nationalization and municipalization of our electric systems," said Dr. Hamel in a speech to the electors of his district.

Opposed to "Trusts"

"The former Government of Quebec brought about the scandal which surrounded the Beauharnois development," he continued. "The Beauharnois firm received certain privileges from the former Government on the promise that the province would be freed from electricity trusts. This promise was never effected."

Mayor Gregoire backed Dr. Hamel's plea for nationalization and municipalization of Quebec's electric systems.

Acting Premier Takes Hand

A significant feature of the meeting was a short address by Hon. Oscar Drouin, acting premier. He said: "We told the power companies and lumber companies: 'We have our technicians and you will employ them in preference to strangers.' We also insisted that the province's resources belong to the people of Quebec."

Great Lakes Interest Plan Likely to Pass

Bondholders Expected to Defer One Year's Interest

Since there has been practically no complaint about non-payment of interest due Oct. 1, 1936, on bonds of Great Lakes Paper Co., it is expected bondholders will approve the proposals to waive default on this payment and also to defer the coupon due April 1, 1937. Some larger bondholders have indicated their approval of the proposals.

Bondholders have been advised of a meeting to be held at Toronto, Dec. 22, to defer the Oct 1, 1936, payment until July 2, 1938, and to postpone the April 1, 1937, payment until July 2, 1939. Approval by a majority of the bonds represented is all that is required to make the deferment binding upon all bondholders.

To Pay Oct. 1, 1937

One of the most encouraging features of the letter to bondholders explaining the need for this deferment is the positive statement of President C. H. Carlisle: "Regular interest payments will be resumed Oct. 1 next." Mr. Carlisle is equally positive in stating that the deferred interest will be paid when due.

The initial interest coupon due April 1, 1936, was paid at the time of issue of new securities in the reorganized company this year. Some holders of the former 6% bonds have not exchanged them for new securities. National Trust Co., trustee for bondholders, urges surrender of these old bonds in exchange for the new securities. Each $1,000 bond is entitled to receive $600 of new 5% bonds and certificates for nine class A preferred and eight common shares.

President's Explanation

In explanation of plans to make improvements, Mr. Carlisle states to bondholders:

"At the present time there is an active market for newsprint as well as for other kinds of paper, for large timbers, lumber, ties and for timber used in mines. It is to your interest to take advantage of this opportunity quickly to secure the maximum results. It will require the expenditure of about $250,000 to $300,000 for improvements to plant and for logging facilities. The money thus expended will enhance the security of your bonds and should immediately increase the earnings of your company.

Self-liquidating Outlays

"The increased earnings should rapidly liquidate the proposed expenditure. The amount of money required is quite small in comparison with the company's operations. The costs of securing temporary financing for so small an amount from sources other than bondholders would seem not to be in their interest. Therefore, we are asking you to postpone the payment of interest overdue since Oct. 1, 1936, and interest to become due April 1, 1937—in other words, one year's interest. The deferred payment of Oct. 1 will be met July 2, 1938, and the deferred payment of April 1 will be met July 2, 1939. Regular interest payments will be resumed Oct 1 next.

"Your company is in a very satisfactory position. It has greatly reduced costs. It is operating on a 24-hour day to the full capacity of the plant. Its earnings are in excess of its bond interest. It is adequately financed for its operations. The outlook for the coming year is quite satisfactory. The deferring of the two interest payments, as requested, is for the sole purpose of increasing the earning power of your company and to put it on an economic cost basis."

Sell St. Hyacinthe Bonds

MONTREAL. — L. G. Beaubien and Co. Ltd. have sold $248,000 city of St. Hyacinthe 3½% non-callable serial bonds, maturing from 1937 to 1956. The prices ranged from 101.50 for the short term maturity to 100.25 for the long term bonds.

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OTTAWA TORONTO

New Record—

Central Station's Output in October Largest on Record

From Our Own Correspondent

MONTREAL.—Electrical energy produced by central stations in Canada during October was the largest of any month on record.

Production during the month totalled 2,378 million kw.h., as against 2,041 million kw.h. in the previous month and 2,162 million kw.h. in October, 1935.

All economic areas shared in this increase. The output for Oct., 1936, with corresponding figure for the same month last year, follows:

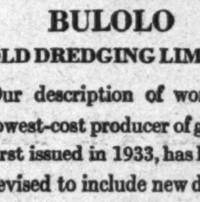
(000's of kilowatt hours)

	1936	1935
Maritimes	79,763	64,744
Quebec	1,270,753	1,176,633
Ontario	687,879	626,620
Prairies	185,436	158,847
B. C.	154,568	135,725

Consumption of electricity in Canada also created a new high record of 1,630 million kw.h. during October, the index number advancing to 194.73 as against 184.33 for September, the previous high record.

Exports to the United States totalled 129 million kw.h., increasing from 125 million kw.h. for September.

Deliveries of secondary or off peak surplus power to electric boilers rose from 498 million kw.h. in September to 619 million kw.h. in October.



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15 King Street West, Toronto

Cuts Lauzon Light Bill

From Our Own Correspondent

MONTREAL.—Quebec Power Co. has made a new contract with the municipality of Lauzon, adjacent to Quebec City, reducing street lighting rates.

The contract, covering a five-year period, cuts the annual rate for one 60-candle power lamp $14.40 to $12.50. The new rate represents a saving of $548 a year.

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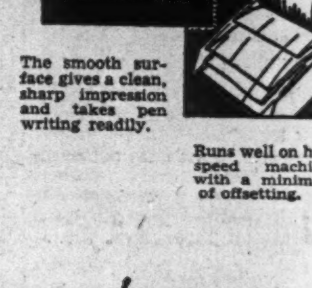

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In The Construction World

SUCCESS of the Government-sponsored Home Improvement Plan is now up to the construction industry, Arthur B. Purvis, chairman of the National Employment Commission, told the Canadian Institute of Plumbing and Heating at its annual meeting in Montreal. Mr. Purvis pointed out that the scheme had now received the full endorsation of the lending institutions but actual sales of improvements had to be made by the salesmen of the construction and equipment industries.

Mr. Purvis reminded his listeners that the Home Improvement Plan formed but one portion of the proposal to stimulate employment by increased activity in the field of housing. The other two divisions he said were the Dominion Housing Act, now in operation with amendments to broaden its scope, and low-cost housing for which legislation would probably be brought down in the House of Commons early in the new year.

* * *

Building Holds Key To Employment Problem

THE Home Improvement Plan, Mr. Purvis pointed out further, is primarily designed to speed up construction work, both urban and rural, and thereby increase employment. To slack times in construction, a large percentage of present unemployment has been traced and so by creating an immediate demand for construction work the authorities hope to solve one of the country's most pressing problems. Explaining the Home Improvement Plan, Mr. Purvis stated:

"It is not a plan for loaning money, nor for borrowing money, but for modernizing homes. The purpose of house rehabilitation as a section of stimulated housing is solely that of increasing employment, with, of course, its derivative benefits. It is not a plan to have the Government improve existing dwellings. The home owner is the main principal in the transaction and a real need exists for brighter and more congenial homes. Possibly most important, it will definitely create employment."

* * *

Discrimination Against Private Improvements?

THAT the National Employment Commission will meet some opposition in its efforts to get municipalities to guarantee that no increase in assessments are to follow improvements under the new Home Improvement Plan, is indicated by a recent Hamilton city council discussion.

The scheme was branded as unfair discrimination against the man who might make improvements out of his own pocket. Such a person apparently might expect the usual raise in his assessment, whereas the house owner financing the job through one of the new loans would not. This is a matter that the National Employment Commission might well take up.

The whole purpose of the loan scheme is to encourage employment through modernization of existing property, and certainly the home owner who carries out this improvement with his own capital should be encouraged just as much as the one who borrows to do the job. Otherwise the commission's expectations of $2 spent privately on improvements for every single dollar loaned will be rudely shattered.

* * *

Old Factories Left Behind

HISTORY generally and statistics in particular form valuable guides as to possible future development. But, when looking ahead, both of these factors must not be taken too rigidly. It is by no means certain, for instance, that some industries that once operated full blast, will do so again before Canada or the world enjoys full recovery. Many products made in those factories, and many of the factories themselves, are now obsolete.

But while there can be little improvement expected in such cases, on the other hand expansion among the newer industries should more than take up the slack. Indeed additions to these new plants and industries will probably come before some of the other types are even moderately busy.

Evidence of this sort of thing is already at hand. This week the National Cash Register Co. of Canada announced the purchase of 2½ acres of land adjacent to its new Toronto factory. Though the plant, only completed this year, was considerably larger than the old quarters, already plans are under way for an extension. Fortunately for the company the designers of the new, one-story plant took expansion into consideration and it will only be necessary, when the time comes, to knock out the end wall. A similar story concerning an insulation manufacturer was heard this week. A new plant was put into operation last fall. At the time, the builders thought they were making ample provision to cater to the eastern market, but so rapidly has the demand grown for insulation that capacity will have to be doubled within the next few months.

On a larger scale the same sort of development has been witnessed in the south of England. There industry has been forging ahead, leaving far behind the former industrial centre of the north.

Many construction companies who are sitting back waiting for a revival in certain of the old-time stable industries perhaps should look elsewhere for development.

HOME IMPROVEMENTS IN BRITAIN

Incorporated in its comprehensive housing programme Great Britain has also a home improvement plan something similar to the one adopted in Canada this fall. In the Old Country, however, they call it "reconditioning." Under the scheme house owners get a substantial grant toward the cost of putting their properties into livable condition. The grants are larger and more numerous in the rural district, where rather than wholesale removal an effort is made to preserve cottages, valuable from a historic point of view. Some of these cottages (left) "before" and (right) "after" are shown.

British Housing Problem Attacked on Wide Front

New Construction and Elimination of Slums and Overcrowding Get Government Attention — Canadian Investigator Finds Big Progress

Government stimulation of housing in Great Britain is often considered a recent, a post-war development. But this sort of thing has been going on in the Old Country for a great many years. Joseph Chamberlain is given credit for the Housing Act of 1876, and ever since that period government authorities have been interested in the question and particularly that which concerns accommodation for working class families. Provision of such accommodation varied from year to year, reaching a peak of 100,000 new structures mostly in the moderate class, in 1905.

War Delayed Development

Skyrocketing costs brought a cessation of practically all house building in the United Kingdom during the war and to a lesser degree for a considerable period afterward. But the need for new accommodation did not recede, and it is because this accumulated lack has only recently been attended to, that British house building has again assumed such prominence.

Charlotte Whitton, executive director of the Canadian Welfare Council has recently completed a personal investigation, extending over two years, of the British development, with the object of bringing to light points that might be of value in establishing a Canadian housing programme. Miss Whitton's findings will shortly appear in a special Welfare Council bulletin.

Three Lines of Attack

"The British housing programme," writes Miss Whitton, "was based on three lines of attack for the improvement of housing conditions:

"The provision of new houses; the clearance of slum areas and the elimination of overcrowding.

"Presumably the latter two phases could not be vigorously attacked until there was assurance of a reasonable supply of new houses to meet the accumulated post-war needs and the demand of the wage-earning population setting up new homes."

The first experiment, according to Miss Whitton, was the Housing and Town Planning Act of 1919, which left the provision of new working class houses to the local authorities, but with the exchequer absorbing all loss in excess of the produce of a penny tax rate which was to be levied by the local bodies. At first the legislation did not provide for the participation of private enterprise, but a supplementary enactment authorized a fixed subsidy (at first from £130 to £160 and later raised to £230 to £260), for all houses conforming to certain specifications and erected by private builders.

Mounting costs and shortage of both building labor and supplies hampered the operations of the act, but under it, nevertheless, 175,000 new houses were built. It proved costly, however, involving in addition to the income of the penny rate for the local authorities, an annual subsidy from the exchequer of about £6,500,000 which will continue for 60 years.

Under the supplementary measure 39,000 houses were erected by private builders, but due also to prevailing costs they were not within the means of the working population most greatly in need of them. Both these schemes were therefore abandoned in 1921.

Subsidized Building

In 1923 new legislation was introduced which sought to throw the stimulation of building back upon the private building industry, by affording a public subsidy of £6 a year for 20 years for houses of a maximum size designed especially to house working class families. Though the Government went out of office the next year, this act remained in force until 1929, and under it no less than 438,000 dwellings were erected, 362,000 by private enterprise. The state subsidy still being paid under this act amounts to £2,475,000 annually, and some of it will continue until 1949.

The first Labor Government in 1924 brought in a new measure based on the principle that a long term public housing programme was required, spread over a period of years, and with sufficient aid from the exchequer to provide working class houses at rentals within the reach of the family of low income. Their programme provided a subsidy of £9 a year for 40 years, with an objective within 15 years of 2,500,060 houses of the type specified. The new Government which took office at the end of the year allowed this act to remain in force and it continued until 1934. Under it 520,200 houses were erected in the decade, but 504,100 of these were by the local authorities and only 15,700 by private enterprise. The state subsidy under this legislation, part of which has nearly 40 years to run, is at present £4,230,000 annually.

Much Private Building

One of the most encouraging aspects of the situation, according to Miss Whitton, has been the remarkable response of the private building industry to the stimulus afforded in the first instance only by the public subsidy. For the activity of private construction enterprise did not cease in 1929 with the withdrawal of the 1923 subsidies, but went on at an increased rate, a situation duplicated with the cancellation of the 1924 grants in 1934. In 1930, the first year after lapsing of the subsidy, 107,400 new houses were provided through private effort; in 1931, 129,800; in 1932, 130,800; in 1933, 166,600; in 1934, 257,700, and in 1935, 275,000. And this recovery has played a remarkable part in Britain's industrial "comeback," employment in the actual building of houses and in the production of building materials being at a higher point than at any previous time in her history.

Since the war 2,804,888 houses of a rateable value (total annual rent basis) not exceeding £78, have been built, and of these 1,572,896 have been built without state assistance.

Slum Clearance

The British Housing Act of 1930 concentrated on slum clearance and overcrowding. While abolishing general subsidies for new building, it provided a subsidy of £2 5s. to local authorities for each person displaced and rehoused under a slum clearance plan, on the ground that accommodation for the rohoused slum population cannot be provided on an economic rental basis.

As a next step under legislation introduced in 1933, local authorities were requested to submit to the Ministry of Health programmes for the eradication of their slums within a period of five years. These programmes called for the demolition of 287,000 houses, the erection of nearly 300,000 new shelters, and the rehousing of 1,320,000 persons. By 1935 local authorities had issued orders for the demolition of 78,800 houses and adopted definite proposals for the erection of 81,400 new houses. Of these 41,000 have already been built and 25,000 are actually under construction, with permits still proceeding at the rate of about 6,000 houses a month.

Start on Overcrowding

Provisions for the third stage in the programme, the campaign against overcrowding form the main portion of the new legislation of 1935. It establishes for the first time the maximum number of inhabitants permissible for every dwelling, according to the number and size of its rooms, and provides penalties for the infringement of these standards, with due safeguards for the protection of present tenants until such time as sufficient proper accommodation is available in their areas.

A schedule lists the appropriate size and accommodation regarded as suitable for houses of different sizes, e.g. a three-bedroom non-parlor house of about 760 square feet, with a living room about 180 square feet and bedrooms 150, 100 and 80 square feet is thought suitable to a family of not more than five persons. This is, of course, higher than the penal standard of overcrowding applied to existing property.

Simplify Administration

Speed with which Great Britain has attacked its housing programme is largely attributed by Miss Whitton to the clarification of governmental responsibility. In the Old Country, she points out, there are only two sources of government, central and municipal, whereas a third, provincial, is interjected here. Hand in hand with the practical development of the British housing policy has been a clearing of the right-of-way for such a policy by consolidating weaker municipal administrations and by the elimination of various local boards and committees.

"Consequently," adds Miss Whitton, "in the last decade there has been a remarkable clarification in Great Britain in the general public understanding and in the growth of actual distinctions of service as to the functions and responsibilities of local government through the United Kingdom, which in turn, has contributed to clearer relationships between these authorities and the central government."

Montreal Builders' Exchange

Editor, The Financial Post:

I wish to point out two errors that occur in the article "Montreal Contractors Favor Wage Agreements" published in your issue of November 14.

The implication is that the Builders' Exchange of Montreal is a newly-formed organization merely to facilitate the operation of a Collective Labor Agreement Extension Act in the Province of Quebec, whereas the truth is that this exchange was founded in 1897 and incorporated in June, 1899 and has been in operation continuously since that time.

Again, under "Policing," you state that this is done by the "Builders' Exchange with its paid secretary and staff of inspectors." This is incorrect as the whole operation of the Collective Labor Agreement and its enforcement is in the hands of a Building Trades Joint Committee, composed of representatives of an employers' association (which in this case is the Builders' Exchange of Montreal) and two employees' associations, which are the two major unions operating in this province. Six members elected from employers and six from employees, with two added by the Government to represent the minority of the industry, make up the Building Trades Joint Committee who, through its paid manager, secretary and staff of inspectors, collect fees and see to the operation and policy of the Act.

In all other respects the article correctly interprets the attitude of the Builders' Exchange of Montreal to the wage earner and to the ultimate consumer.

W. G. HUNT,
President, Builders' Exchange,
Montreal.

National Cash Reg. Plans Extensions

Though its new enlarged 70,000 square ft. Toronto plant was only completed a few months ago, National Cash Register Co. of Canada is already preparing for another expansion. Last week the company purchased 2½ acres of land adjoining the present propery, bringing total frontage up to 900 by 450 feet or more than five acres in all.

New Factory in June

Increasing demands for cash registers and accounting machines, both in Canada and throughout the British Empire were responsible for the new preparatory move. Since the new factory opened in June of this year, production has been increased each month until the enlarged factory capacity has almost been reached. This company, in October, had the largest month's business since 1931. November output of registers exceeded that of any other month in the history of the company.

Empire Business Grows

The British Empire business of the company has shown steady growth in recent years. In 1933, there was an increase of 39% over 1932. In 1934, the increase was 40% over 1933. In 1935, there was an increase of 16% over 1934 and, up to the end of Oct., 1936, the increase in sales in the British Empire has been 20% over the same period last year.

Contract Is Awarded For Big Montreal Bridge

A bulk contract for construction of a $600,000 bridge across Rivière des Prairies from the Island of Montreal to St. Vincent de Paul Parish, has been awarded by the Quebec Department of Public Works to the Dufresne Construction Co. of Montreal.

Reinforcing steel is being supplied by Canadian Tube and Steel Products Limited, Peck Rolling Mills and Steel Company of Canada. Cement will come from Canada Cement Co. and various local companies and quarries in the Montreal district will supply the crushed stone and sand. The bridge will be of reinforced concrete construction, 1,500 ft. long, 43 ft. wide with a 30-ft. roadway and two 6½-ft. sidewalks. With approaches the whole structure will be 2,130 ft. long.

Overestimate Eastern Area's Cut of Lumber

But It Will Show Big Gain Over Recent Years

EXPORT PRICE UP

From Our Own Correspondent

SAINT JOHN.—Recent press reports that New Brunswick's winter lumber cut will be 600 million square feet—attributed to "authoritative sources"—grossly exaggerate the real situation, according to executives of eastern lumber firms interviewed by The Financial Post.

One of the largest lumber shippers said he doubted if the actual cut would reach 300 million feet in this province. Others maintained it would not much exceed that figure.

Policy Overestimated

Whether or not there is any justification for reports that New Brunswick's winter cut will be the largest since 1920, which saw a record cut of 700 million feet, it is already definite that activity in the woods will show an increase compared with that of recent seasons. Operators now have thousands of men in lumbering camps.

More Cutting Planned

Many owners of private timber lands, who have been letting their trees stand pending an improvement in market conditions, now are planning to cut again.

The reason is the improved demand and price in Great Britain, where lumber is now bringing about $5 more per 1,000 feet than a year ago.

Hardwoods Wanted

Outstanding is the increased demand for hardwood for veneer manufacture, and the United Kingdom is said to be in the market for an unlimited amount of birch, beech and maple.

New Brunswick's revenue will benefit to some extent from the larger lumber cut. Stumpage charges brought the Government $445,000 for the fiscal year 1935. The estimated return from that source for 1936, when the budget was brought down in the early spring, was $400,000.

Construction in Sydney Reaches 6-year High

From Our Own Correspondent

SYDNEY. — Building operations in Sydney for 1936 will show the highest figure for the past six years. The first 10 months listed $165,346 as the estimated total. This is nearly four times as great as the official figure for 1935, when buildings costing $46,000 were constructed. This year will surpass any yearly figure since 1930.

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Best Year In Building Since 1931

Residential Construction Reported Pushing Well Into Early Winter

BIG NOVEMBER

This should be the best year in Canadian construction since 1931.

Total building permits issued for the first 11 months, according to MacLean Building Reports, are already fractionally ahead of the same period a year ago and judged by the big jump in Nov., 1936, over Nov., 1935, there should be no difficulty in increasing the present lead even with a seasonal falling off in December.

The first 11 months construction for the last six years is as follows:

First 11 Months Construction

1936	$154,469,000
1935	155,940,100
1934	119,749,300
1933	89,082,200
1932	128,682,300
1931	304,224,700

November Weather Favorable

During November total contracts awarded amounted to $13,840,400 as compared with approximately $8.3 millions in Nov., 1935, and $10.5 in the same month in 1934. These figures undoubtedly illustrate the trend dation for the rehoused slum popula- into the fall. Much of this increase applies to residential building which was pushed rapidly during the early part of November when the weather was generally favorable.

The new home improvement loans policy is not believed to have helped general construction a great deal so far, but may become a factor now that weather is unfavorable to outdoor building.

More Private Building

Considerable significance is attached to the fact that gradually private building is taking over the field from Government public works. It is pointed out that in 1935 over $40 millions or almost exactly 25% of the total building was made up of various Government contracts. While the percentage of such work is still considerable, as will be noted in the table of large November contracts attached to this article, throughout the current year there has been a big increase in the proportion of private building.

Large November Contracts

	$
Prov. of Quebec, railway line	1,250,000
Montreal, extn. to pier	639,000
Montreal, bridge	600,000
Montreal, reconst. wharf	400,000
Montreal, students' residence	250,000
Niagara Falls, gathering weir	230,000
Montreal, apartments (4)	225,000
Montreal, improvements to parks	200,000
Cornwall, hospital	178,200
Three Rivers, reprs. to bridge	160,000
Timmins, theatre	150,000
Quebec-Charlesbourg, highway	149,000
Brownsville, Ont., gas purifier & pipe line	120,000
Prov. of Quebec, road	102,600
Prov. of Quebec, highway	100,000
National Laurentide Park, highway	100,000
St. Fereol, P.Q., log flume	100,000
Quebec, parks	100,000
Hamilton, storage bldg.	100,000
Three Rivers, court house	100,000
Sherbrooke, widening viaduct	90,000
Cardinal, Ont., office add'n.	90,000
Owen Sound, school	90,000
Barriefield, Ont., officers' mess	86,400
Montreal, add'n. to bldg.	80,000
Quebec, add'n. to house	75,000
Trenton, Ont., 5 residences	75,000
Hamilton, open hearth furnace	65,000
Montreal, telephone bldg.	65,000
Noranda, residence & mill	60,000
Magog, P.Q., plant add'n.	60,000
Toronto, warehouse	60,000
Toronto, apartments	60,000
Montreal, 12 residences	55,000
Donnacona, P.Q., factory	50,000
North York Twp., Ont., residence	50,000
York Twp., Ont., residence	50,000

Canadian Cottons Ltd. will use its new addition to the Cornwall plant mainly as a warehouse for storage of manufactured goods.

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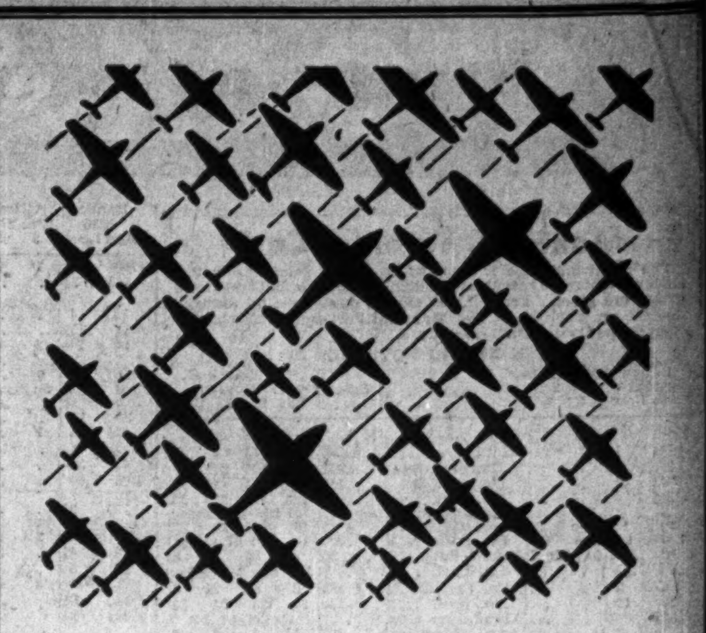
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.



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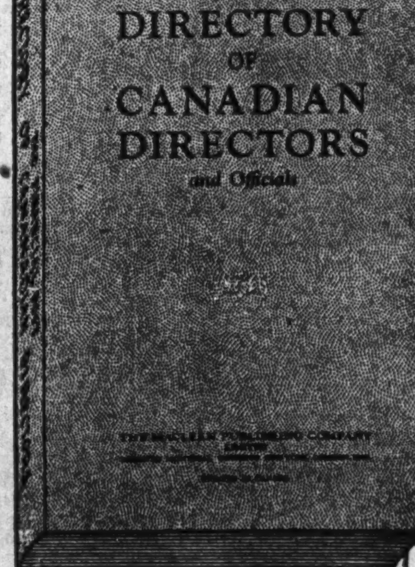

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 30

Range 1936 High	Low	Div R'te $	Nov28 Y'ld %		Sales	Last Nov. 23	Week end. Nov. 30 H	L	Cl'se
4¾	1½	.	...	Abitibi	86399	3¾	4¾	4	4½
37	6½	.	...	Do. pref. 6%.	13071	28	37	27¾	33½
77½	49½	.	...	Do. pref. 7%.	110	..	77½	49½	76½
36½	6¾	.	...	Do. cert. rep.	610	22½	36½	27½	35
5	4½	10c	...	Acadia Sugar ..	....	(5 bid 5½ asked)			
21	14½	50c	2.6	Acme Glove ..	50	19	19¾	19	19¾
100	94	6.50	6.9	Do. pref.	....	(— bid 97 asked)			
10	7½	40+20c	7	Agnew Surp. ..	90	8½	8½	8½	8½
110	100	7	6.5	Do. pref.	....	107 bid 110 asked			
6	2	.	...	Alta. Pac. Gr...	130	3	3	2¾	3
39	19	.	...	Do. pref.	180	24	25	24	24
54½	54½			Aluminium		(54½ Sept. 24)			

[illegible]

Government Bonds

December 2, 1936

Dominion of Canada Bonds				Bid Dec 2	Asked Dec 2	Approx. Yield	Bid Nov. 25
†‡Dominion	5	1 Mar.	1937	100.75	101.25	...	100.85
‡Dominion	5½	1 Dec.	1937	104.05	104.55	.91	104.05
Dominion	2½	15 Oct.	1939	103.00	103.50	1.28	103.00
Dominion	4	15 Oct.	1939	106.85	107.35	1.42	106.85
Dominion	2	15 Nov.	1939	102.00	102.50	1.16	102.00
Dominion	1½	1 June	1940	100.00	100.50	1.35	100.00
Dominion	4½	1 Sept.	1940	109.65	110.15	1.70	109.50
Dominion	1	15 Mar.	1941	97.75	98.25	1.41	97.75
Dominion	5	15 Nov.	1941	113.85	114.35	1.95	113.50
Dominion	3	15 Oct.	1942	105.00	105.50	2.00	104.85
Dominion	2½	1 June	1943	101.85	102.35	2.11	101.85
Dominion	5	15 Oct.	1943	114.85	115.35	2.55	114.50
Dominion	4½	15 Oct.	1944	113.00	113.50	2.60	112.75
▪Dominion	2½	15 Aug.	'43-45	101.00	101.50	2.25▲	101.00
Dominion	4	15 Oct.	'43-45	109.50	110.00	2.41▲	109.25
Dominion	4½	1 Feb.	1946	113.00	113.50	2.82	112.75
Dominion	3½	15 Oct.	'44-49	105.25	105.75	2.69▲	105.15
Dominion	4	15 Oct.	'47-52	108.85	109.35	2.99▲	108.75
Dominion	3	1 June	'50-55	100.85	101.35	2.87▲	100.50
Dominion	4½	1 Nov.	'46-56	111.85	112.35	3.06▲	111.50
Dominion	4½	1 Nov.	'47-57	111.85	112.35	3.16▲	111.50
Dominion	4½	1 Nov.	'48-58	112.35	112.85	3.20▲	112.15
Dominion	4½	1 Nov.	'49-59	112.50	113.00	3.26▲	112.25
▪Dominion	3¼	15 Jan.	'56-61	103.50	104.00	2.99▲	103.50
Dominion	3¼	1 June	'56-66	101.85	102.35	3.09▲	101.50
♦Dominion	3	Perp.	bonds	96.65	97.15	3.09	96.35
Dominion Guaranteed Bonds							
*G. T. P. Ry.	3	1 Jan.	1962	101.00	102.00	2.89	100.75
Can. N. Ry.	3	1 May	1944	103.75	104.75	2.31	103.50
Can. N. Ry.	3	15 Dec.	'45-50	100.50	101.50	2.81▲	100.25
Can. N. Ry.	3	15 Feb.	'48-53	100.25	101.25	2.87	100.00
*Can. N. Ry.	4½	1 Sept.	1951	115.25	116.25	3.13	115.00
*Can. N. Ry.	4½	1 Feb.	1956	115.50	116.50	3.34	115.25
†Can. N. Ry.	4½	1 July	1957	114.25	115.25	3.47	114.00
*Can. N. Ry.	4¾	15 June	1955	117.50	118.50	3.42	117.00
Can. N. Ry.	5	1 Feb.	1954	118.25	119.25	3.51	118.00
*Can. N. Ry.	5	1 July	1969	118.25	119.25	2.76▲	118.00
*Can. N. Ry.	5	1 Oct.	1969	119.50	120.50	3.35▲	119.25
*M. Harb. C.	5	1 Nov.	1969	119.50	120.50	3.35▲	119.25
Eastern—Provincial Government Bonds							
N. Bruns. ..	4	1 Sept.	1954	103.50	104.50	3.65	103.00
†N. Bruns. ..	4½	15 Apr.	1961	109.75	110.75	3.82	109.25
†N. Bruns. ..	5	15 Jan.	1960	114.00	115.00	4.02	113.50
N. Scotia ..	3	2 Sept.	1945	99.50	100.50	2.93	99.50
N. Scotia ..	4½	15 May	1943	108.00	109.00	2.96	107.50
N. Scotia ..	4½	15 Sept.	'47-52	110.75	111.75	3.22▲	110.50
†N. Scotia ..	5	1 Mar.	1960	117.00	118.00	3.83	116.50
*Ontario ...	4	1 June	1962	107.50	109.00	3.47	107.00
*Ontario ...	4½	1 Sept.	1944	112.50	113.50	2.62	112.50
Ontario ...	4½	1 June	1950	112.25	113.25	3.28	111.75
*Ontario ...	4½	15 Jan.	1963	114.00	116.00	3.54	112.50
Ontario ...	5	15 Oct.	1946	115.25	116.25	3.34	114.75
*Ontario ...	5	2 Dec.	1960	121.00	122.50	3.59	120.50
Ontario ...	5½	1 July	1946	116.50	117.50	3.42	116.00
O. H. C.	3½-4-5	1 Oct.	'36-52	100.00	101.00	1.20▲	100.00
Ont. Hyd. C.	4¾	1 Jan.	1970	117.75	118.75	3.77	117.50
P. E. I.	3	1 Oct.	1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar.	1952	107.50	109.00	3.26	107.25
Quebec	4¼	1 Aug.	1958	110.75	112.00	3.47	110.50
Quebec	4½	2 Jan.	1963	113.00	114.50	3.64	112.75
Western—							
Alberta ...	4	15 Dec.	'49-54	62.00	65.00	§	62.00
†Alberta ...	4	1 Dec.	1957	62.00	65.00	§	62.00
Alberta ...	4½	1 Oct.	1951	73.00	75.00	§	73.00
†Alberta ...	4½	1 Oct.	1956	65.50	67.00	§	65.00
†Alberta ...	5	1 Jan.	1948	66.50	68.00	§	66.00
Alberta ...	5	1 Sept.	1955	66.00	68.00	§	65.00
*Alberta ...	5	1 Oct.	1959	67.00	69.00	§	67.00
†Alberta ...	5½	1 Jan.	1947	67.50	69.00	§	67.00
Alberta ...	6	1 Mar.	1947	69.50	71.50	§	68.00
†Brit. Col. ..	4	1 Dec.	1957	90.00	92.00	4.60	89.00
*Brit. Col. ..	4½	15 Jan.	1951	95.50	97.00	4.77	95.00
†Brit. Col. ..	4½	1 Oct.	1953	94.50	96.00	4.85	94.00
†Brit. Col. ..	5	15 Jan.	1948	97.00	98.50	5.17	97.00
Brit. Col. ..	5	1 Sept.	1953	96.50	97.50	5.22	95.50
Brit. Col. ..	5½	1 Feb.	1945	98.50	99.50	5.58	97.50
Brit. Col. ..	6	15 Feb.	1947	99.50	100.50	5.94	99.00
Manitoba ..	4	2 Jan.	1950	87.50	89.50	5.09	86.50
†Manitoba ..	4	1 Dec.	1957	88.00	89.50	4.80	87.50
†Manitoba ..	4½	15 Dec.	1956	91.50	92.50	5.09	90.00
†Manitoba ..	5	15 June	1954	97.00	99.00	5.06	96.00
*Manitoba ..	5	2 Dec.	1959	98.50	100.00	5.00	97.00
Manitoba ..	5½	1 Oct.	1955	97.00	98.00	5.67	96.50
Manitoba ..	6	1 Apr.	1947	98.50	100.00	6.00	98.00
Sask.	4	15 Aug.	1953	77.50	78.50	6.04	77.00
Sask.	4	1 Nov.	'55-60	76.50	77.50	5.74	76.00
*Sask.	4½	2 July	1945	88.50	90.00	6.00	88.00
†Sask.	4½	1 Oct.	1951	85.50	87.00	5.81	85.00
†Sask.	4½	15 Mar.	1960	83.50	85.50	5.61	83.00
Sask.	5	1 Aug.	1958	86.00	87.50	6.03	86.00
†Sask.	5½	15 Nov.	1946	92.50	94.00	6.32	92.00
Sask.	5½	1 Oct.	1952	92.00	94.00	6.09	91.50
Sask.	6	15 Mar.	1952	93.50	94.50	6.57	93.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED NOV. 30, 1936

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

(Supplied by the Investment Dealers' Assoc. of Can.)

Dec. 1, 1936

Public Utility Issues:	Int. Rate	Due	Bid Dec. 1	Asked Dec. 1	Bid Nov. 24
*Ass. Tel. & Tel.	5½	'55	94½	97½	96
Beauharnois P.	5	'73	49	52	47
*Bell Telephone.	5	'55	115	118	115
*Do.	5	'57	122	125	121½
†B. C. Power ..	5	'60	104½	107½	105
†Do.	5½	'60	104½	107½	105
†B. C. 'Phone ..	4½	'61	105½	108½	105½
*Calgary Power.	5	'60	96	99	97
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	93½	96½	94
*Gatineau Pwr..	5	'56	101½	104½	101½
*Do., A	6	'41	99½	102½	99½
*Do., B	6	'41	98½	101½	98½
*Inter. Hydro-E.	6	'44	65	68	64
*Inter. Power ..	6½	'57	98	101½	99
†Maclaren-Que. Power	5½	'61	93½	96½	92
†Do.	5½	'64	93	96	91½
†Mtl. Island Pr..	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	102½	105½	102½
†Do.	5	'55	85	88	85½
Nfld. L. & P. ..	4½	'56	100½	103½	100½
†N. S. L. & Pr..	5	'58	103	106	103½
Do.	5	'65	102	105	102½
†Ot'wa L.H.&P.	5	'57	104½	107½	105
†Ottawa Tract. .	5½	'55	101	104	101
†Ottawa V. Pwr.	5½	'70	81	84	82½
†Power Corp. ..	4½	'59	100	103	100
*Quebec Pwr. ..	5	'68	103½	106½	103½
Saguenay Pwr.	4½	'66	105	108	104½
†Shaw. W. & Pr.	4	'61	99	102	99
†Do.	4½	'70	103	106	103
†South. Can. Pr.	5	'55	103	106	103½
†United Secs. ..	5½	'52	...	...	81
*Winnipeg Elec.	4½	'60	104	107	104
*Do., A	4	'65	75½	78½	75½
Do., B	4	'65	65½	68½	65½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	78	81	75
Acadia Sugar .	4½	'55	101½	104½	101½
†Alta. Pac. Gr..	6	'46	96	99	96½
Asbestos Corp..	5	'42	109	112	109
B. A. Oil	4	'45	102½	105½	103
Canada Bread .	6½	'41	...	...	109½
†Canada Cement	4½	'61	103½	106½	104
†Can. Steamship	6	'41	56½	59½	55
Can. Canners .	4	'51	99	102	99
Can. Bakeries .	6½	'45	...	...	95
*Can. Inter. P. .	6	'49	100½	103½	99
C. P. R.	3½	'51	99½	102½	99½
Do.	4	'49	104½	107½	104½
Do.	4½	'44	102	105	102½
Do.	4	Perp.	96½	97½	96½
†Can. Vickers ..	6	'47	98	101	98
†Consol. Paper .	5½	'41	64½	67½	63
*Dominion Coal.	6½	'55	99½	102½	99½
Dom. Sq. Corp.	6	'48	61½	64½	60
‡Dom. Stl. & C.	6½	'55	82½	85½	80
†Dominion Tar .	4½	'51	99½	102½	99
Dom. Textile ..	4½	'55	106	109	106
†Donnacona P.	3-4-4½	'56	81	84	79
†Eastern Dairies	6	'49	79	82	79
†Famous Players	4½	'51	98½	101½	99
†Federal Grain..	6	'49	98½	101½	99
†Fraser Cos. ...	6	'50	102	105	102
†Gen. Steel W...	6	'52	104	107	103½
*Gt. Lakes Pap.	5	'55	80	83	82
†Gypsum, L.&A.	5½	'48	102	105	102½
†Gr. Br. & Can. Invest.	4½	'59	...	...	85
Hamilton Cot...	5½	'48	...	...	103
*Ham. By-Prod. Coke	5	'50	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper ..	6	'55	97½	100½	96½
†Inter. P. & P. Nfld.	5	'68	103	106	102
Inter. City Bak.	5½	'48	103	106	103½
Inter-City West. Bakeries	6½	'50	53½	56½	55
†Kingston Elev..	6	'50	97½	100½	97
†Lake St. John P. & P.	6½	'47	119½	122½	116
†Do.	6	'42	103	106	92
†Lond. Can. Inv.	4½	'48	...	...	93½
†Maple L. Mill.	5½	'49	83½	86½	84½
†Massey-Harris.	5	'47	93½	96½	93
†McColl-Front..	6	'49	104	107	104
†Mercury Mills..	5½	'53	...	...	78
†Mersey Paper .	6	'49	99	102	99
*Minn. & Ont. P.	6	'45	52½	55½	48½
Mtl. Dry Docks	6	'48	89½	92½	90
Nat. Grocers ..	4	'36-'47	...	...	101½
†N. A. Elevators	6	'50	...	...	98
Nor. Ont. Bldg.	6½	'39	...	...	96½
*Prov. Paper ...	5½	'47	...	...	103
Queen's Hotel.	6	'47	98	101	98½
*Reliance Grain.	6	'48	104½	107½	103
†Restigouche Co.	6	'48	110½	113½	110½
Rich. Bay Bldg.	6½	'47	...	...	100½
†Rolland Paper.	4½	'51	102½	105½	102½
Ruddy & Co. ..	6½	'48	98½	101½	97½
†Smith, Howard	4½	'51	101½	104½	101
*Spruce Falls P.	5½	'42	...	...	101
†Steel of Can. ..	6	'40	112½	115½	113
Sterling Coal ..	6	'40	...	...	89
Stop & Shop..	6	'47	...	...	63
Twin City	5½	'52	93	96	92
United Amuse.	5	'56	99	102	99
United Corp. ..	5	'53	...	...	97
Unit. Grain Gr.	5	'48	94½	97½	95
Do.	5½	'49	96½	99½	97
Union Gas ...	4½	'43-'50	98	101	99
Zimmerknit ...	6	'51	...	...	101½

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Mines

December 1, 1936

	Bid	Asked
Admiral	.32	.34
Albany River	.89	.91
Algold	.44	.46
Algoma Summit	1.90	2.00
Ardeen	.17	.20
Arrowhead	.44	.46
Area	.04	.04½
Athona	.22	.25
Advance	..	.17
Alliance	.01	.02
Big Master	.20	.23
B.E.A.R.	..	.30
Blue Star	.20	.24
Bousquet Gold	.07	.08
Brae Breest	..	.21
Brengold	.22	.25
Bilmac	.22	.25
Bailor	.06½	.07
Bathurst	.04½	.05
Beresford L.	.63	.66
Calder Bosquet	.22½	.25
Callinan Flin Flon	.09½	.10
Canadian Pandora	.19	.20
Candalaca	.32	.34
Centrecour	.21	.23
Colonial	.32	.34
Coin Lake	.24	.27
Columario (new)	.03	.04
Cuniptau	.15	.18
Continental Kirk.	.28	.30
Casey Summit	.21	.24
Cres. Kirkland	.25	.27
Casey Contact	.04	.05
De Santis	.55	.58
Derlak	.20	.22
Dona Pat	.32	.35
Darwin	.44	.48
Demp. Cad.	.33	.34
Don Martic	.26	.29
Dunlop (new)	.16	.17
Doreva	.85	.89
Dupont Hodgson	..	.18
Empress Cons.	.71	.73
Franklin	.01½	.02½
Falkenham	.36	.40
Frontier R. Lake	.16	.18
Galateas	.05½	.06
Garnet	.10	.11
Gateway Pat.	.17	.20
Gillies Lake	.54	.56
Gold Eagle	.70	.75
Goldside	.11	.12
Golden Gate	.42	.44
Gordon Lebel	.22	.24
Gilbec	.06½	.07
Hayes Cadillac	.27	.29
Holtyrex	.04	.05
Horseshoe	.09½	.10
Hudson Patricia	.13	.14
Hugh Pam.	.25	.28
Hutchison Lake	.24	.25
Jellicoe	.38	.41
Johnson Nipigon	.04	.05
Kaw Crow	.16	.19
Kenecho	.14	.16
Kenricia	.76	.80
Keora	.10	.11
Kirk King	.22	.25
Kerr Addison	.28	.30
King Kirk	.04½	.05
Lamaque	6.75	7.25
Lafayette	.04	.05
Lapa Cadillac	.83	.86
Leitch Gold	.76	.80
Lake Rose	..	.35
McFarlane	.07½	.08
Manitoba Basin (new)	.03	.04
Margaret	.27	.30
Madsen Red L.	1.11	1.15
Magnet Lake	.12½	.13½
Martin McNeely	.06	.08
Matachewan Can.	.18	.20
McCarthy Webb	.49	.52
Mosher	.55	.59
Murmac	.09	.11
Martin Bird	.27	.29
Mooshla	.67	.70
Monarch Mines	.39	.42
McVittie Kirk.	.05	.06
Maritime	.40	.42
North Shores	.03¾	.04½
Old Diamond	.39	.43
Oklend	.23	.38
O'Leary	.17	.18
Opemiska Cap.	..	.20
Oriole	.03¾	.09
Oremond	..	.30
Ossian	.12½	.13½
Porcupine Gold R.	.02	.03
Porcupine Lake	.54	.57
Pascalis	.44	.46

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

December 1, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.25	5.50
Do., pfd.	5.00	....
Acme Farmers Dairy, pfd.	44.00	....
Andian National X. D.	47.00	48.50
Assoc. Tel. & Tel., pfd.	56.00	58.00
B. C. Pulp & Paper pfd.	15.50	....
Burns & Co., A	7.75	8.50
Do., B	5.00	6.00
Canada Starch, pfd.	98.50	....
Can. Tube & Steel, 1st pfd.	68.00	....
Do., 2nd pfd.	12.50	....
Can. Wire & Cable, pfd.	118.00	121.00
Can. Airways	7.50	10.00
Can. Industries, A com.	247.00	....
Do., B com.	246.00	250.00
Can. Industries pfd.	165.00	167.00
Can. Ingersoll Rand	128.00	135.00
Can. Westinghouse	77.00	80.00
Chase, A. W., pfd. bonus	25.00	....
Conduits Nat., new com.	4.50	5.00
Dom. Found. & Steel, com.	80.00	....
Do., pfd.	97.50	99.00
Dominion Rubber, pfd.	99.50	102.00
Dunlop Tire pfd.	82.00	85.00
Federal Grain com.	3.50	4.00
Do., pfd.	46.50	48.50
Goderich Elevator	10.75	11.25
Great Lakes Paper, pfd.	18.75	19.25
Greening Wire pfd.	108.00	114.00
Guelph Carpet pfd.	105.50	106.50
Do., com.	23.00	25.00
Hayes Steel Prod., com.	2.50	....
Do., pfd.	5.50	....
Highland Dairy com.	3.50	4.00
Do., pfd.	....	84.00
Inter City Bak., com.	36.00	40.00
N. Meth. Laund. pfd. bonus	81.00	....
Provincial Paper, pfd.	106.00	107.50
Reliance Grain, pfd.	95.00	97.50
Rob. Cons. Cone	9.00	10.00
Ruddy, E. L., pfd.	36.00	40.00
Silverwood's Dairies pfd.	54.00	....
Standard Fuel com.	9.00	10.25
Do., pfd.	106.00	108.50
Supertest Petrol., B pfd.	27.00	28.00
Toronto Carpet pfd.	43.00	....
United Steel, A pfd.	13.00	13.75
Western Grain, pfd. bonus	10.00	13.50
Wings Ltd.	2.35	2.60
Trust & Loan Stocks:		
Chartered Trust	85.00	....
Commercial Finance, com.	2.40	....
Debenture Co. of Can.	14.00	....
Guelph Ont. Inv. par $50	48.00	51.00
London & West. Trust	53.50	57.00
Premier Trust	...	....
Sterling Trust	30.00	33.00
Traders Fin. Inc. Rts.	10.00	....
Do., B pfd. bonus	86.00	....
Trusts & Guarantee	....	33.00
Insurance Stocks:		
British America	50.00	....
Canada Life	530.00	....
Canadian Fire	77.00	....
Can. Ins. Shares	12.50	....
Confed. Life 20% pd.	112.00	115.00
Cont. Life 20% pd.	38.00	44.00
Crown Life	150.00	....
Dominion Fire	127.00	140.00
Dominion Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	120.00	130.00
Empire Life 25% pd.	7.50	8.75
Excelsior Life 30% pd.	68.50	72.00
Federal Fire 25% pd.	41.00	....
Fidelity Ins. of Can.	46.00	....
Great West Life	375.00	385.00
Guar. of N.A., fully pd.	280.00	....
Halifax Fire	23.00	24.00
Imperial Life	355.00	....
Manufacturers Life	240.00	260.00
Monarch Life 10% pd.	20.50	22.00
National Life 25% pd.	....	48.50
Sovereign Life 25% pd.	15.25	17.50
Sun Life	635.00	650.00
Toronto General Ins.	5.25	6.25
Western Assurance, com.	45.50	46.50
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Beach pfd.	65.00	70.00
Do., Kingston, pfd.	60.00	....
Do., Parkdale, pfd.	70.00	....
Do., Toronto, pfd. bonus c.	29.00	35.00
Eastern Theatres, pfd.	71.50	80.00
Loew's Buffalo, pfd.	3.50	4.00
Do., London, pfd.	2.60	3.00
Do., Toronto, pfd.	116.00	....
Mansfield Theatre, pfd.	30.25	32.00
Paramount Kitchener, pfd.	50.00	....
Do., Oshawa, pfd.	85.00	....
United Amusement, A	18.00	....
Do., B	16.00	....
Investment Trust Shares:		
Can. Gen. Invest.	10.75	11.15
Can. Int. Inv. Trust Units	95.00	....
Can. Investors	9.50	10.00
Cons. Div. Std. Sec. Units	18.25	19.50
Corporate Investors	....	7.75
Dom. Scott. Invest. Units	41.00	43.00
Invest. Foundation Units	63.50	66.00
Sec. Holding Units	24.50	26.00
Third Can. Gen. Inv. Trust	1.90	....
United Corpns. A	26.50	27.50
Do., B	19.00	20.00
Power Issues:		
Calgary Power, pfd.	75.00	77.00
Can. West. Nat. Gas pfd.	82.50	85.00
Do., com.	25.50	28.00
Great Lakes Power, pfd.	99.00	....
Inter. Util. 1.75 pfd.	10.00	10.75
Do., 7.00 pfd.	93.50	96.00
Montreal Island Pwr. pfd.	15.00	....
Nor. Ont. Power pfd.	103.50	105.00
Nova Scotia L. & P., pfd.	104.00	106.00
Do., com.	91.50	....

Winnipeg Stocks

(Transactions from Nov. 23 to Nov. 28)

	Sales	High for period	Low for period	Close Nov. 28
B. & M. Syn. ..	15	3.25	3.25	3.25
Federal Grain, c.	30	3.00	3.00	3.00
Do., pref. ...	2,500	46.00	46.00	46.00
Flin Flon	5,900	.25	.23	.23
Cres. Cream., p.	1	35.00	35.00	35.00
Cryderman	2,500	.04	.04	.04
Herb Lake	2,200	.20	.15	.20
Gold Lake	14,122	.11	.08½	.10
Gurney Gold ..	8,300	.47	.46	.46
Island Lake ...	600	.03	.03	.03
Ore Grande ...	3,000	.19	.18	.18
Oxford M.	500	.65	.60	.65
Optic Lake	125	1.20	1.15	1.17
Northern Trust	1	7.00	7.00	7.00
Rel. Grain, pf. .	100	94.50	94.50	94.50
Scotia	1,000	.03	.03	.03
Packsack	9,600	.28	.26	.26
Sachigo River ..	640	18.25	17.50	18.00
United Grain ..	30	10.50	10.00	10.00
Vanson Man. ..	3,500	.02	.02	.02
Wingold	23,000	.06½	.05	.06½
Wings Ltd.	1,321	3.00	2.40	2.60
Wpg. R. Tin ...	12,000	.02½	.02	.02
West. Steel, pf.	50	8.50	8.50	8.50
Wylie Dom. ...	1,300	.44	.41	.41

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
[illegible]. Envelope, com.	..	1¼
Do., pf'l.	93½	..
Home Invest.	..	20
Northern Mtge., part pd.	..	3½
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

*Stocks more active on other exchanges not included.

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	115.00	4.04
Hamilton	5	1950	109.50	111.50	3.90
Montreal	5	1945	104.50	106.00	4.15
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	105.00	107.00	4.50
Saint John	5	1950	107.00	108.00	4.23
†Toronto	4½	1955	112.00	114.00	3.45
†Vancouver	5	1950	85.00	90.00	6.10
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

Listed Bonds

Week Ended Nov. 30, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl L. H. & P. Debs.	3	'39	50½	50	51½	50

UNLISTED MINES—(Continued)

	Bid	Asked
Porquin	.18	.20
Pandora Cadillac	.86	.96
Pontiac	.19	.21
Red Crest	1.02	1.07
Richmac	.39	.40
Roeanor	.25	.30
Rouyn Reward	.06½	.07½
Rubec	.58	.60
Salmo Malartic	..	.16
Sand River	..	.30
Schreiber	.11	.12
Skookum	.25	.30
Smelter Gold	.08½	.09
South Keora	..	.15
Spooner	.22	.25
Springer	.14	.16
Sturgeon R. Gold	.53	.54
Shenango	.27	.29
Slave Lake	3.70	3.75
Tonawanda	.22½	.24
Upper Can.	.51	.54
Wendigo	.20	.33
West-Side	.03½	.08
W. Red Lake	.14	.15
White Horse	.19	.21
Winoga	.32	.35
Young Davidson	.17½	.20
Young Shannon	.16	.18

Week in Wheat

Rush Grain Down Lakes As Season Nears End

Exporters Get Supplies in Position for Winter Shipment — Rumors Persist Britain to Build Up Reserve

From Our Own Correspondent

WINNIPEG.—Increased activity and higher prices marked the wheat market at the beginning of the week. Part of the rush to buy seemed associated with the desire to get as much grain as possible down the lakes before the close of navigation. Forwarders and exporters are evidently anticipating a heavy transatlantic business during the winter.

Some of the recent strength has come from Liverpool, although reports have been issued that the British millers are remaining out of the market. It is claimed that they expect to get Argentine wheat cheaper within a short time. Continued stress, however, is laid on the importance of Italian buying.

J. R. Murray, chairman of the Canadian Wheat Board surprised the trade by issuing a statement tending to contradict market reports regarding board activities. But he gave no intimation as to what the board has actually been doing and the belief exists that there has been considerable selling.

There is revival of reports that the British Government contemplates the establishment of food reserves against the possibility of war. But the trade does not agree on whether or not actual buying has yet begun.

Strong Position

ALTHOUGH the actual gain in prices recently had not been great previous to this week a decided degree of strength has been manifested by the wheat market for some time.

Fairly steady buying by Italy has been one of the important features of the situation, although much of this has been Argentine and Australian. Statistically, with her short crop this year, Italy was supposed to have a theoretical need of from 60 to 80 million bushels of imports. The fact that the Government is permitting imports at such a rate so early in the season seems to indicate official recognition of needs or desire to accumulate an emergency reserve.

* * *

Argentine Damage

IT IS still uncertain how serious has been frost damage in the Argentine. Accounts of prospective wheat yields in that country have varied widely. If market action may be relied on as a guide, some of the estimates are generally regarded as being too high.

* * *

Watch Board Selling

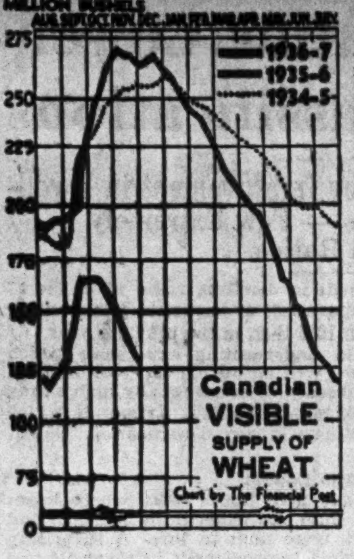
NOT only in Winnipeg, but in British and Continental markets, much attention is paid to reports that the Canadian Wheat Board is disposing of large quantities of its holdings. Every such report is accepted as a bullish factor. Not only does it indicate an existing market with sufficient strength to absorb such offerings, but the technical position of the market is improved by every sale.

Probably the majority of observers have come to believe that any substantial advance from present levels would be practically impossible so long as the Government remained a large holder of wheat. Neither commercial nor speculative holders want to be in the market as rivals to a Government agency, whose actions remain a totally unknown quantity.

Once it is known that the Government holdings have been finally sold, possibility of continued price advances are considered much more likely.

Brazil Taking Steps To Push Wheat Growing

From Jan. 1, 1937, Brazilian mills will be required by law to grind a quantity of domestic wheat corresponding to 2% of the total wheat imports during 1935. Since the 1935 imports were 32 million bushels and the domestic production amounts to about 6 million bushels, the stipulated percentage seems very low.



GETTING DOWN

Canada's supply of visible wheat in store last week was estimated by the Board of Grain Commissioners at less than 128 million bushels. This compares with approximately 266 millions for the same week a year ago.

With only about 40 million of new wheat still to come out of farmers' bins, it would appear that J. R. Murray's (Wheat Board Chairman) task of liquidating the huge carryover inherited from John I. McFarland and the Wheat Pools last December, is now nearly concluded. At anything like the present rate of export clearances there should be no trouble in getting current carryover down to practically any figure desired by the beginning of the next crop year on Aug. 1, 1937.

Details in bushels are as follows:

Canadian Visible

Week of Nov. 27	Last Week	Last Year
127,866,000	135,457,000	265,904,000

Export Clearances*

Week of Nov. 27	Last Week	Last Year
5,658,898	6,465,507	4,084,011

*Plus U. S. imports.

Toronto Elevators Sees Less Storage

But Drop in Wheat Offset By Increase in Other Revenue

Toronto Elevator's revenue from grain storage is expected to be lower in the current year which ends July 31, 1937, G. C. Leitch, general manager of the company stated at the annual meeting this week, but earnings from other sources are expected to offset any drop.

This is in keeping with the general trend of Canadian elevator companies and is the result of the below-normal yields of Canadian wheat in the last few years. Until about eight months ago, however, smaller crops were offset by a large wheat carryover from previous years, but the bulk of this carryover has now been liquidated.

In the case of Toronto Elevators it is understood that the drop in wheat volume has been partially offset by imports of Argentine corn which will be used to supplement livestock feed in Eastern Canada this winter. The company earned $3.20 on the common stock in 1936 as compared with $3.04 in the previous year.

G. P. Campbell and F. T. Carnegie, secretary-treasurer, have been elected temporary directors to replace G. R. Cottrelle and F. K. Morrow.

Smaller African Crop

The South African wheat crop this season is estimated at almost 16 million bushels as compared with over 20 million a year ago.

Grain Enquiry Starts Devoid Of Fireworks

Several Weeks Needed to Build Up Statistical Picture

From Our Own Correspondent

WINNIPEG.—Although the Turgeon Royal Grain Commission opened in Winnipeg this week no great amount of interest is expected to result until well into the new year.

Preliminary enquiry will concentrate in establishing the necessary statistical background of Canada's wheat industry. Nevertheless an increasing sense of importance is being attached to the Commission as it is gradually realized that the country's future wheat policy may largely depend on its findings.

To Decide Future

Originally there may have been an impression that the enquiry would largely concern itself with the merits of the respective wheat policies as pursued immediately before the present Federal Government assumed power last year and afterward. But the speedy liquidation of Canada's heavy carryover and at a loss very much smaller than was considered possible, has completely altered the picture.

This recent clearance now brings into sharper relief the problem of what the Government proposes to do about wheat in the future. At the rate of present sales Ottawa will soon be out of the wheat business. Now the query arises, will it go back again? That question is going to loom largely in the background of all evidence heard before the Commission.

Pools in Limelight

The pools will largely have the centre of the stage. For one reason, nearly every other aspect of the trade has been covered by previous commissions, the reports of which will probably serve as well for information as any new evidence which might be produced. But the pools have not been officially examined, nor does there exist in any form any comprehensive record of their performances.

It is assumed the pools will not be on the defensive so far as the theory of pool selling is concerned. Their position, since pooling was almost entirely discontinued five years ago, seems rather to be that this form of selling in itself cannot accomplish the objectives originally sought. Instead they argue that farmers cannot get a satisfactory price so long as there is any independent marketing of wheat, and until all farmers are compelled to put their grain through a single government agency and at a uniform price.

See Pool Investigation

But such recommendations can hardly be dealt with on the basis of opinion as to what might be a good thing. They necessarily involve examination, or at least so it is presumed, of how pool operations were carried on in the past, and with what results. Even if the pools themselves do not volunteer such information, and if the Commission's counsel does not press for it, it seems inevitable that representatives of the independent trade will demand it.

Challenges Pool Representation

At the opening session of the commission, L. W. Brockington, counsel for the Northwest Grain Dealers Association, which includes the country elevator companies not owned by farmers, stated that more than half of the farmers of the west are customers of his clients. That fact, he suggested, indicated a satisfaction with the method of marketing for which the trade had stood. Such evidence seems to establish a background for contesting any claim that may later be made that the pools are generally representative of farmer sentiment.

Mr. Brockington suggested that there should be a general economic commission appointed to consider the difficulties of western farmers, which, he claimed, were due to many political and economic causes, with which the grain trade had nothing to do.

Home Loan Plan Makes Good Start

From Our Own Correspondent

OTTAWA. — First figures beginning to trickle into the capital from the lending institutions suggest that an encouraging beginning has been made on the national house repair scheme.

The intention of Arthur B. Purvis, chairman of the National Employment Commission, is that the plan should be of a snowball nature, gathering weight and momentum as it progresses, rather than one which begins with a bang and rapidly peters out. Efforts are being redoubled across the country, advertising programmes are being developed, and the radio hook-up this week takes the campaign directly into Canadian homes from coast to coast. Direct promotion work is to be in charge of local committees, many of which are now organized.

Reliance Grain Calling in Bonds

Refunding Issue at Lower Rate Will be Placed on Market

From Our Own Correspondent

MONTREAL.—Reliance Grain Co. has called for redemption Jan. 2 next, all of its outstanding 6% first mortgage and collateral trust bonds at 105 and accrued interest. Payment will be made either in Canadian or American funds, at the option of the holder.

These bonds, of which there were $1,663,900 outstanding at the end of 1935, were first publicly offered in Jan., 1928, by Nesbitt, Thomson and Co. In 1930 the company failed to earn bond interest, but in all other years, the charge was fully covered after making provision for depreciation.

It is understood that Nesbitt, Thomson and Co. will offer a new bond issue before the middle of the month, the proceeds from which will be used by the company to redeem the bonds on the call date.

Hungarian Flour Mills Moving to Ethiopia

Because of recent regulations prohibiting the shipment of Hungarian flour to Ethiopia, the question arose whether it would not be possible to move some of the idle Hungarian mills to Ethiopia.

Negotiations between a group of Hungarian promoters and representatives of the British Midland Bank, which is planning to build oil mills and millet pearling plants in Ethiopia, have resulted in the formulation of a plan to dismantle two large mills which have been standing idle for some time and move them to the vicinity of Addis Ababa. Both mills belong to a Hungarian milling company.

The expense of dismantling, moving and re-erecting the mills, amounting to $120,000 will be shared by the English and Hungarian interests.

Record Jugoslav Crop

Jugoslavia's wheat crop of nearly 106 million bushels this year is the largest since the formation of this central European country after the peace treaty in 1919. Value of the crop has been considerably reduced as a result of the recently less favorable sterling exchange rate.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington to Nov. 28.

Germany — Export and import trade made slight gains in October, and for 10 months the favorable balance is notably larger than last year; unemployment has increased seasonally, but is well below the 1935 figures.

Italy—Export prospects have improved since currency devaluation and industrial activity is sustained.

Belgium — Commercial and industrial activity continued to expand during October and the belga stood up well under the new currency values.

Netherlands—The forward movement of commerce and industry was accelerated during October, the first month of the managed currency.

Greece—Smaller crop yields than last year are reported, industry has declined seasonally, and the foreign trade turnover has been reduced.

British Malaya—The business outlook appears excellent, owing to favorable developments in the rubber and tin markets; continued building activity is in prospect.

China—Agreement for the establishment of radio-telephonic communication with the United States is reported; October foreign trade through Shanghai declined, particularly the import trade.

Exports to U.S. Under Treaty Up to 27 P.C.

Important Gains Made By Both Canada and U. S. Survey Shows

Startling changes in many important items of trade have taken place since the Canada-United States trade agreement went into efect Jan. 1, last.

To appraise major items affected by this pact as well as to show the general trend of trade volume between the two countries, The Financial Post has tabulated comparative figures for leading items during the first 10 months of 1936 with corresponding trade in the same period of 1935.

Exports Gain 27 Per Cent

In view of the far-reaching influence of these pacts it is difficult to generalize, but from available information the results to date would seem to be something like this:

(1) Canada's exports to the United States on principal items affected by the agreement have risen 27% in the 10-month period. This comparison covers about 100 items of trade totalling for the 10-month period $173.7 millions. The corresponding trade in the same items last year was $136.8 millions.

(2) Within this large group some very spectacular increases have taken place. Thus cheese exports have risen 2,400%; exports of certified seed potatoes, 1,090%. Eight other items show gains ranging from 120 to 350%. Only half a dozen items show decreases notably hay, shingles, bran, a few small fish classifications, etc.

(3) Since the treaty granted United States the Canadian intermediate tariff in addition to special consideration on certain commodities, the best general indicator of the effect of the agreement on Canada's imports from U. S. is probably the total of all import trade in the 10-month period. This shows an increase of 15%, the new figure being $302 millions compared with $262 millions in the same period last year.

Comparative figures for leading export and import items affected by the pact, follow:

Canada's Exports to U. S. A.

	10 Mos. 1935 $	10 Mos. 1936 $	Change %
Softwood planks	6,465,823	9,406,795	+45.4
Hardwood planks	500,379	1,103,997	+120.6
Timber, squared	38,003	69,926	+84.0
Shingles	5,959,000	4,775,000	—19.8
Seed potatoes	59,843	712,639	+1,090.8
Whisky	8,634,908	15,921,150	+84.3
Maple syrup	217,309	995,154	+357.9
Dairy cattle	311,181	396,580	+27.4
Other cattle	5,052,670	7,877,594	+55.9
Horses	571,695	1,921,822	+236.1
Poultry, live	7,792	171,559	+2,101.7
Poultry, dead	18,904	43,581	+130.5
Cheese	58,680	1,484,386	+2,429.6
Halibut	221,427	373,308	+68.5
Lake trout	300,968	373,438	+24.0
Salmon	461,483	662,137	+43.4
Swordfish	209,233	270,852	+29.4
Herring	20,654	38,488	+86.3
Pat. leather	23,946	82,408	+244.1
Turnips	301,233	584,830	+94.1
Strawberries, fresh	23,184	57,662	+148.7
Wood pulp†	18,097,000	21,820,000	+20.5
Newsprint†	56,749,000	66,990,000	+18.0
Total	23,480,120	42,626,977	+81.5
Total▲	136,760,753	173,775,953	+27.0
Total■	286,574,890	320,455,806	+11.7

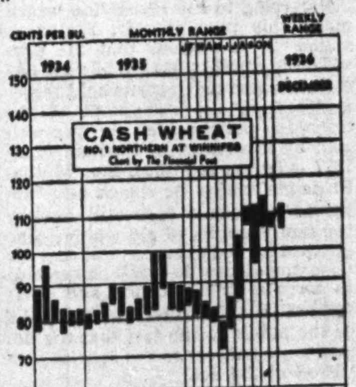
†Free entry confirmed by trade agreement.
▲Principal exports affected by trade agreement.
■All exports to U. S. A.
Source: Commercial Intelligence Journal.

Canada's Imports from U. S. A.

	10 Mos. 1936 $	10 Mos. 1935 $	Change %
Fruits	12,908,000	10,177,000	+26.9
Cotton, raw†	13,665,000	10,788,000	+26.6
Printed matter	7,234,000	5,709,000	+26.7
Furniture (wood)	536,000	255,000	+110.1
Automobiles	5,573,000	2,131,000	+162.4
Do., parts	18,368,000	21,418,000	—14.2
Farm implements	8,045,000	4,833,000	+66.5
Hardware	916,000	1,002,000	—8.5
Machinery	21,191,000	14,352,000	+47.6
Plates & sheets	7,438,000	5,355,000	+38.8
Steel prods.	4,548,000	3,718,000	+22.3
Stamped & coated steel	1,006,000	775,000	+29.8
Tools	982,000	826,000	+18.8
Elec. appar.	7,750,000	6,147,000	+24.4
Coal	21,299,000	20,619,000	+3.2
Glass, glassware	3,045,000	2,629,000	+15.8
Crude oil	26,024,000	22,825,000	+14.0
Gasoline	2,318,000	2,819,000	—17.7
Drugs	1,361,000	1,087,000	+25.2
Total	164,207,000	137,465,000	+19.5
Total♦	301,949,000	262,338,000	+15.1

†Free entry confirmed for three years by trade agreement.
♦Canada's imports from U. S. A.

Wheat Prices



(Cash Quotations)

	For Week Dec. 1 High	For Week Dec. 1 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.12	1.08½	1.09⅛	1.08⅝
1 Northern	1.11⅛	1.08	1.08⅝	1.07⅝
2 Northern	1.09½	1.07	1.08	1.06⅝
3 Northern	1.06	1.03¾	1.05⅛	1.03⅝
4 Northern	1.03½	1.00	1.02⅛	.99⅝
5 Wheat	.98½	.95	.97⅞	.94⅞
6 Wheat	.94½	.91⅛	.93⅞	.91⅝
Feed Wheat	.78½	.75	.75⅛	.74⅝
Vancouver: Week to Nov. 30:				
1 Northern	1.10⅝	1.06⅞	1.08½	1.06¾

Competitive Export Prices: Nov. shipment.

Week to Nov. 28

	High	Low
No. 1 North. (Vanc.)	1.29⅞	1.24¼
No. 2 North. (Atlan.)	1.24½	1.22¾
No. 2 North. (Vanc.)	unquoted	
Danubian	1.07¾	1.07½
Australian (afloat)	1.23¾	1.19⅝
Australian▲	1.22¾	1.17⅝
Argentine Rosafe†	1.08⅛	1.05⅝
Indian (choice Karachi)	1.20¾	1.17⅝

†Jan.-Feb. ▲Dec.

Winnipeg Grain Futures

Week to Dec. 1, 1936

Crop year from Aug. 1, 1936 High	Low		Open Nov. 25	High for week	Low for week	Close Dec. 1
		Wheat				
1.14⅞	1.04⅞	Nov.	1.08¼	1.11⅞	1.07⅞	.....
1.12⅝	.93½	Dec.	1.05¾	1.11	1.05¾	1.11
1.14⅞	1.05⅝	May	1.07⅜	1.12½	1.07⅝	1.12⅜
1.11	1.03¾	July	1.06½	1.11	1.06⅛	1.10⅝
		Oats				
.46⅞	.42¾	Nov.	.....	.46½	.45¼	.....
.48¼	.41⅛	Dec.	.44¾	.46¼	.44⅝	.45¾
.48¾	.42¼	May	.45½	.48	.45¼	.46
.45⅛	.43⅜	July	.....	.44⅞	.43⅞	.44⅝
		Barley				
.64⅜	.55⅛	Nov.	.....	.64⅜	.63⅜	.....
.64¾	.50¼	Dec.	.61¾	.64¾	.61⅜	.64⅜
.62⅝	.50⅞	May	.59⅝	.62⅝	.58⅝	.62⅝
.61⅛	.56¾	July	.57⅛	.61⅛	.57⅝	.61⅛
		Flax				
1.63	1.55¼	Nov.	.....	1.58½	1.55¼	.....
1.88	1.56	Dec.	1.56	1.59½	1.56	1.58½
1.75¾	1.60½	May	1.61	1.63¾	1.60½	1.63⅛
		Rye				
.80¼	.67⅛	Nov.	.....	.80¼	.78⅜	.....
.81⅜	.61¾	Dec.	.79¾	.81⅜	.77⅞	.80¾
.80⅝	.62⅜	May	.79	.80⅝	.78⅛	.80⅝
.80¼	.78¼	July	.....	.80¼	.78⅛	.79

DIVIDEND NOTICES

PICKLE CROW GOLD MINES, LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 4

Notice is hereby given that a dividend of five cents (5c) per share in Canadian funds has been declared payable on December 31st, 1936, to shareholders of the company of record at the close of business on December 16th, 1936.

By Order of the Board,
ROBERT FENNELL, K.C.,
Secretary-Treasurer.
Toronto, Ont., December 1st, 1936

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1936, making a total distribution of ten per cent for the current year —the Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1937, to shareholders of record of the 19th December, 1936.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 13th November, 1936.

HUDSON BAY MINING AND SMELTING CO., LIMITED

DIVIDEND No. 4

A dividend of Fifty cents (Canadian) per share has been declared on the capital stock of Hudson Bay Mining and Smelting Co., Limited, payable December 21, 1936, to stockholders of record at the close of business on December 5, 1936.

H. E. DODGE, Treasurer.
Dated November 25, 1936.

Imperial Tobacco Company of Canada, Limited

— DIVIDEND —

NOTICE IS HEREBY GIVEN THAT an Interim Dividend (No. 120) of One and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Thursday, the 31st day of December, 1936, to shareholders of record at the close of business on Friday, the 11th day of December, 1936.

By Order of the Board,
F. P. L. LANE,
Secretary.
MONTREAL, P.Q.,
27th November, 1936.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of

Eight Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Saturday, the Second Day of January

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1936.

By order of the Board,
WALTER F. WATKINS,
Secretary.
Toronto, November 18th, 1936.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

POWER CORPORATION OF CANADA LIMITED

Common Dividend No. 11

AN interim dividend of Twenty-five Cents (25c.) per share has been declared on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, payable December 21st, 1936, to shareholders of record at the close of business on December 5th, 1936.

By Order of the Board,
L. C. HASKELL,
Secretary.
Montreal, November 27th, 1936.

THE CANADIAN BANK OF COMMERCE

The Annual Meeting of the Shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 12th day of January next. The Chair will be taken at 11.30 o'clock a.m.

By order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 20th November, 1936.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of January, 1937, to shareholders of record at the close of business on the 23rd of December, 1936.

F. G. WEBBER,
Secretary.
Montreal, November 25th, 1936.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 48

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1936, payable January 15th, 1937, to shareholders of record at the close of business on December 31st, 1936.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, November 24th, 1936.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 30

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1936, payable January 25th, 1937, to shareholders of record at the close of business on December 31st, 1936.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, November 24th, 1936.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 14th day of January, 1937, at 11 o'clock a.m.

S. G. DOBSON,
General Manager.
Montreal, December 1, 1936.

Canada Bud Breweries Limited

Notice is hereby given that a dividend of Forty Cents (40c) per share on the 150,000 outstanding no par value common shares of Canada Bud Breweries Limited, has been declared payable on the 19th day of December, 1936, to shareholders of record at the close of business on the 9th day of December, 1936.

By order of Board of Directors.
E. J. KAY,
Secretary-Treasurer.
Toronto,
November 27th, 1936.

The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share, for the current quarter, together with a bonus of one dollar per share of the paid-up Capital Stock of this Bank, has been declared and the same will be payable on and after Saturday, the second day of January next, to shareholders of record Tuesday, the fifteenth day of December next, at three o'clock, P.M.

By Order of the Board,
T. TAGGART SMYTH,
General Manager.
Montreal, November 24th, 1936.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1936, payable January 2, 1937, to shareholders of record at the close of business December 15, 1936.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
November 26, 1936.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 40

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Tuesday, December 15, 1936 to shareholders of record at close of business on November 20.

DIVIDEND NO. 41

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Tuesday, December 15, 1936 to shareholders of record at the close of business November 20.

By Order of the Board,
FLETCHER RUARK,
Secretary.
Walkerville, Canada
November 6, 1936.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of one dollar and twenty-five cents per share for the quarter ending December 31, 1936, has been declared on the Common Stock of the Company.

The above dividend is payable on January 2, 1937, to shareholders of record at the close of business on December 15, 1936.

By Order of the Board.
W. H. NESBITT,
Secretary.
Toronto 2, November 30, 1936.

Canadian Dredge & Dock Co. Limited

COMMON STOCK DIVIDEND No. 20

Notice is hereby given that a dividend of One Dollar ($1.00) per share plus a bonus of One Dollar ($1.00) per share, making Two Dollars ($2.00) in all, has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited payable January 2nd, 1937, to Shareholders of record at the close of business on December 15th, 1936.

By Order of the Board.
T. C. LUKE,
Secretary.
Midland, Ontario,
November 30th, 1936.

STOCKS · BONDS · MINES · GRAIN
Jackson Bros. GRAIN CO. LTD.
Members Winnipeg Grain Exchange — Winnipeg Stock Exchange — Vancouver Stock Exchange — Canadian Commodity Exchange.
Orders executed over private wires on —
NEW YORK - MONTREAL - TORONTO - VANCOUVER
BRANCHES—VANCOUVER — MOOSE JAW — REGINA — BRANDON — SASKATOON — KENORA — FLIN FLON.
HURON and ERIE BUILDING - WINNIPEG

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
GRAIN COMMISSION MERCHANTS
SHIPPERS AND EXPORTERS
ALL GRAINS-SACKED FEEDS
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

British America Elevator Company, Limited
WINNIPEG - MANITOBA
We Own and Operate 130 Country Elevators in
MANITOBA - SASKATCHEWAN - ALBERTA
Licensed Country Grain Warehousemen
Commission Merchants — Track Buyers
Members:
Winnipeg Grain Exchange Chicago Board of Trade
Minneapolis Chamber of Commerce

SEARLE GRAIN COMPANY LIMITED
Country Elevators — Commission Merchants — Future Orders — Domestic and Steam Coal — Flour and Feed
OFFICES:
WINNIPEG — EDMONTON — CALGARY
FORT WILLIAM — VANCOUVER
SEARLE TERMINAL LIMITED
WINNIPEG - FORT WILLIAM

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS *Limited*
WINNIPEG REGINA · MONTREAL MOOSE JAW · VANCOUVER SASKATOON · TORONTO CALGARY · KINGSTON EDMONTON

FRIGIDAIRE MADE ONLY BY GENERAL MOTORS
FRIGIDAIRE
The Dayton Engineering and Laboratories Company, of Dayton, Ohio, manufacturers of automobile starting and lighting equipment, was the predecessor to Delco-Light farm lighting plants.
Delco Light was started in Canada in 1916 but it was not until 1922 Frigidaire electric refrigeration system was added, Frigidaire having previously been developed as the "Guardian" refrigerator in United States.
Maclean's
Canada's National Magazine

A Gagetown Man ~ ~

New President of Imperial Life Forsook Law Nearly Fifty Years Ago to Sell Life Insurance

By KENNETH R. WILSON

Last year a British insurance writer, who had known James Francis Weston for 20 years, wrote these words:

"In bearing and aspect, Mr. Weston might sit for a very benevolent portrait of Uncle Sam. And he adds to his American characteristics the true Canadian poise and accuracy of judgment.

"A New Brunswicker by birth, he brings the salt breezes of the Maritime Province to the consideration of every difficulty. He can be relied upon to see that shipshape methods are the rule in any craft he commands.

"Before the trade depression had made headway in Canada—as early, in fact, as 1930—he was instrumental in concentrating the Imperial Life upon building up additional reserves, and the company and its policyholders have benefitted in the following years.

"You don't catch a Gagetown man asleep at the wheel. Not at any time, fair weather or foul."

J. F. WESTON

49-Year Record

Except that Mr. Weston has recently become president of Imperial Life there is little to add to this accurate, delightful pen picture of one of Canada's most seasoned, most unassuming life insurance executives.

Whether he has always been as unassuming and retiring as he is today I do not know. At any rate it is a characteristic which is unfortunate in some ways, for the younger generation of life insurance men are missing a rare treat if they do not know and rub shoulders with this clear-sighted Gagetowner who started his life insurance career in 1887 when still a 19-year-old schoolboy.

The Weston family came to Gagetown (which is midway between Saint John and Fredericton on the Saint John River, in case you're not a Maritimer) along with many a score of Empire Loyalist in 1783. They were "steamboat men" who carried on the bustling and prosperous water-borne commerce of their day and later developed water-power for cutting timber, running grist mills and carding. These were the days when great cargoes of timber and merchandise rode up and down these Maritime seaways—when British naval officers left their "mark" on the best and tallest timbers which were henceforth set aside for navy masts.

Forsook the Law

When "Jim" Weston arrived almost 100 years later, the day of the sailing vessel and all that it meant to the Maritime Provinces was almost done. New ways and new inventions were moving life into faster and different channels so "Jim" instead of following the craft and calling of his ancestors decided to be a lawyer. He started his studies, but, needing money to put himself through college, became interested in a new-fangled thing called life insurance.

To make a long story short, the combination proved such a happy one that young Weston decided it would be stupid to sit in an office waiting for clients to come to him when he could make such a success of things by going out and selling something to them. So he cast his lot with the old Temperance and General Life at Saint John and started off to convert his fellow Maritimers to the new-found gospel of life insurance. He used a bicycle extensively and there is hardly a county in the three provinces that he did not travel in this way.

Honored by Policyholders

That he did a splendid job is attested by the fact that a few years ago a group of people in Digby held a complimentary banquet to honor him. They were old policyholders who had learned the value and virtue of life insurance from "Jim" Weston 30 or 40 years ago.

Mr. Weston thinks of that testimonial whenever anyone questions the fundamental worth of life insurance. For at 68 years of age he knows there are not many commodities and institutions which can stand the test of time the way his product has done.

An Agency Man

It is so commonplace for the chief executives of Canadian life companies to ride to fame along the actuarial path that Mr. Weston enjoys the distinction of being one of the few who have successfully travelled the road along the agency highway. This is one reason he has such sympathy and understanding with the men on the firing line—is perhaps one reason why he is really the father of the very highly successful co-operative advertising campaign which has been carried on for so many years by Canadian companies.

The steps of his rise to insurance fame were very simple ones. He signed as a full-time agent with the Temperance & General in 1888 at Saint John. Later he was appointed inspector for the Maritime Provinces. In 1894 he was called to head office as superintendent of agencies.

Ten years later the company had merged with Manufacturers Life and in 1913, Mr. Weston resigned to become general manager of Imperial Life. He therefore assumes the presidency of the latter company after nearly 50 years of actual contact and experience with the life insurance business—23 of which have been spent with the company he now heads.

People Bewildered By Depression

Thus to the problems which now beset the life insurance business and other institutions which share a dual rôle as both debtor and creditor, Mr. Weston brings a wisdom and background tempered by nearly five decades of experience.

"People have been bewildered by the depression," he told me the other day. "In other countries this bewilderment has been seized upon by dictators who turn it to their own advantage. The democratic way is a different way but if we are to show that it is a better way we must have vigorous, clear-sighted leadership. We must have leaders who instead of being weak-kneed in the face of public distress are willing to stand fast with courage and fortitude; who will not yield to the demagogue and the agitator whenever he rears his head.

"Canada is now being tested as she has seldom been tested before. For generations, we have been trusted because we were British and because we kept our word. Today things are happening in this country which have given our creditors cause for concern. Because of this we are being watched very closely.

Time an Important Factor

"I believe that given wise leadership and time in which to see things in their proper perspective—a little time to overcome this bewilderment—that the inherent honesty of Canadians will reassert itself.

"The future of this country depends on this. Because Canada cannot live to herself alone. We will need more money—hundreds of millions of new money to develop our mines and our resources. To jeopardize the source of these funds would be suicide and Canadians have sense enough to realize this once the present feeling of uncertainty and bewilderment has passed.

Settling Farm Debts

"Then too, our farmers will need more money to develop their properties, rebuild their investment, and develop new frontiers. Most Canadian farmers realize this and when they stop to think about it they realize they cannot keep on biting the hand that feeds them even though that hand has in the past fed them bitter medicine in the form of high-interest-rate loans and so forth.

"What we must realize, of course, is that no reasonable creditor objects to making a settlement with one to whom he has lent money if the cards are all on the table and if a revision of the original contract is a wise and practical thing to do. Canada may have to do this with many of her obligations but the issue is clouded for the time being with ugly words like repudiation which have no place in honest business transactions.

Life Insurance Problem

"People criticize life insurance companies and similar institutions for the slow way in which they have acted in making settlements. They forget often that these organizations are trustees for other people's money and that sweeping settlements like those that have been proposed in recent months may actually be beyond the competence of these companies to grant.

"Our company, for example, many years ago, followed the practice of making adjustments with debtors in western Canada in cases where the need was apparent, and while we were permitted to treat with individual cases on their merits, mutual interest of debtor and creditor prompted reasonable adjustments to permit the continuance of operation. But legislatures (in their wisdom) decided against that course and placed moratoria and other laws on the statutes which prevented proper adjustments being made. Now we are hampered by the heavy burden of debt and obligations that have piled up in the meantime.

Effect on Youth

"One thing that worries me more than anything in the experiences that we have been passing through is the effect on the young people of Canada. The disappointment and distress that have come to those who have come of age in the past few years is an even more serious problem than matters of dollars and cents.

Hunting and Fishing

No story about Mr. Weston would be complete without a word about his other two hobbies. It's a story that can be told in two short words: hunting and fishing.

There is hardly a game area in Canada that has not seen Mr. Weston with his rod and gun—in the old days he invariably combined business with pleasure by making his inspection tours yield game and fish as well as increased sales. Latterly he slips away for a week or two with his cronies—his favorite spot at the moment being the big Anticosti Island preserves of the Consolidated Power and Paper Corp.

Riviere du Moulin, Que., is paying bond interest from May 1 to Nov. 1, 1936, on bonds matured May 1, 1934, 1935 and 1936. Interest from June 1 to Dec. 1, 1936, on bonds matured June 1, 1934, 1935 and 1936.

WRITES "THIRTY"

After half a century of vigorous leadership in the newspaper and insurance world, William Wallace, supervisor of field service for Confederation Life Association has announced his retirement as at Dec. 1.

Starting as editor of the Weekly Sun at Orangeville in 1887, Mr. Wallace became editor and proprietor of the Dufferin Advertiser in 1889 a position he held for 10 years until he joined the Toronto Daily Star as municipal editor in 1900.

In 1902 he forsook the newspaper field to become superintendent of agencies for Crown Life Insurance Co. and in 1907 rose to the general managership of that company. In 1916 he joined Confederation Life Association as inspector of agencies in the company's eastern division, being subsequently promoted to his present position of supervisor of the company's field service department.

Mr. Wallace will retain his connection as chairman of the working committee of the Life Insurance Service Institutional Advertising.

Great-West Pays Same Dividends

Great-West Life Assurance Co. has announced a continuation, effective Jan. 1, 1937, of the same dividend scale as used in 1936.

Interest on dividends on deposit and also on policy proceeds left with the company will continue unchanged at the rate of 4%.

Health Plan Strikes Snag

Officials Doubt Early Introduction of Health Insurance

From Our Own Correspondent

VANCOUVER.—Response to the questionnaires sent out on health insurance by the British Columbia board appointed to administer the measure has been so slow that the Government has despaired of putting the act into operation at the beginning of 1937, as had been planned.

Officials of the Government say that thousands of the questionnaires sent out, asking individual employees for information concerning their income and other qualifications, have not been returned, with the result that only fragmentary data has been collected. Employers have also been slow to respond, and it is probable that several months will elapse before the board makes any attempt to collect the fees provided under the act.

Meanwhile 200 firms have reported that they have private insurance schemes in operation, covering some 45,000 employees. Dr. Allon Peebles, chairman of the health insurance commission, is investigating these plans to see if they meet official approval. Of about 100,000 employees believed eligible less than 60,000 have responded.

Finlayson Raps Foreign Mutuals

Licensing of foreign mutual and reciprocal insurers without a deposit specifically earmarked for the sole protection of Canadian policyholders was branded as a regrettable concession to mutual companies by G. D Finlayson, federal insurance superintendent, in a recent address before the Insurance Institute of Montreal.

Referring to the legislation which made this possible, Mr. Finlayson stated "It is obvious that the provision in question makes of very uncertain value the deposits held thereunder from the standpoint of the Canadian policyholder. As was well said by a member of Parliament in 1877 who moved that the 'Mutual Principle' clause be struck out, 'Reserves in such a case will be like the fabled apples of old which when grasped turned to ashes.' All that the department can do while it remains in force is in its reports and other publications to draw the attention of the public to the fact that the deposits are subject to the special provision of the act."

Wawanesa Mutual Insures Saskatchewan Merchants

The Retail Merchants' Association of Saskatchewan has entered into a working arrangement with the Wawanesa Mutual Insurance Co. and its subsidiary company, the Wapiti Fire Insurance Co. whereby members of the association may take out policies with those companies at preferred rates.

This business was formerly carried by the Provident Assurance Co., which recently withdrew from Saskatchewan.

New Licenses

The National Fire Insurance Co. of Hartford has been granted a certificate of registry by the federal department of insurance authorizing it to transact insurance against intentional or other damage to, or loss of, property of any kind, real or personal, in addition to the classes for which it is already registered.

Fire Loss Ratios Lower In Most Classifications

1935 Experience Featured by Improvement in Dwelling and Lumber Risks — Few Extremely High Ratios

Featured by substantial improvement in dwelling risks, 15 of the 27 classifications in which the federal department of insurance places insurance risks recorded lower loss ratios in 1935 than in the previous year.

Reflecting general improvement in underwriting experience which brought the ratio of losses to premiums written during the year to 36.25, a record low, there was a noticeable absence of exceptionally high ratios. Only one classification shows a ratio of more than 60%. Tanneries, which represent the lowest volume of premiums in any classification, $19,796, suffered losses of $34,072.

Breweries' Ratio Lowest

Lowest loss ratio was in brewery and malt house risks, where losses were only 6.8% of premiums written. Pulp and paper mills and boot and shoe factories with 9.11% and 12.63% were next in line. A surprising feature of the 1935 results is the marked improvement in sawmills and lumber yards. These risks, which have been the most unprofitable lines of insurance for a number of years, registered loss ratios in 1935 of 29.38% and 32.59% respectively. In 1934, comparative figures were 194.43% and 109.42%.

About a third of all insurance written in the Dominion is on dwellings. Those in protected municipalities are the largest single classification, with 1935 premium volume of $8.6 millions. The loss ratio on these risks dropped about 10%. Second largest individual classification is retail stores, where loss ratio advanced from 32.07 to 36.69 on business of $8.2 millions. All other one year and short term risks are third in line with a volume of almost $6 millions. Loss ratio here was 31.65% as against 36.72% in 1934.

Five-Year Average

Over the last five years, sawmills, lumber yards and tanneries have proved the most unprofitable risks, with loss ratios of 128.86%, 104.07% and 93.28% in that order. At the other end of the ranking are breweries, with loss ratio of 25%, canning factories 27.28%, sprinklered risks 28.09% and laundries 28.52%.

Tables showing the 1935 experience in the various classifications by types of company and with comparative loss ratio figures on total business in each classification are as follows:

(A)—By Type of Company

	Canadian Cos.		British Cos.		Foreign Cos.	
	Net premiums written*	Loss ratio†	Net premiums written*	Loss ratio†	Net premiums written*	Loss ratio†
	$	%	$	%	$	%
Dwellings:						
In protected municipalities	1,904,188	31.98	3,972,822	35.83	2,898,378	39.67
In unprotected municipalities	713,486	46.47	1,351,168	56.84	835,548	56.64
All other dwell. & farm prop.	1,286,437	42.00	900,108	54.86	411,774	57.14
All other 2- or 3-year risks	467,803	30.49	1,057,784	32.15	765,876	26.54
Mercantile risks:						
Wholesale stores & contents	148,169	31.31	385,524	36.59	447,180	44.14
Retail stores & contents	1,441,427	33.67	3,046,062	33.12	3,678,341	40.83
All other mercantile risks	146,363	29.26	403,701	18.67	252,222	28.20
Breweries & malt houses	16,323	....	42,484	3.43	60,262	11.18
Boot & shoe factories	6,161	3.18	14,519	24.05	12,522	4.03
Canning factories	25,899	23.97	84,283	44.39	69,154	33.84
Confectionery & biscuit factories	7,216	16.44	15,947	56.37	12,666	75.53
Flour & oatmeal mills	42,417	25.44	74,676	44.36	70,320	20.83
Grain elevators	643,185	17.20	317,094	44.35	200,820	19.59
Laundries	19,378	40.09	51,407	40.45	42,179	16.05
Sawmills	28,630	29.01	115,902	27.54	271,497	30.21
Lumber yards	45,450	39.87	154,068	20.62	330,457	37.18
Machine shops & metal workers	72,966	36.68	164,806	16.64	213,325	61.94
Mining risks	63,577	33.70	418,394	75.55	274,948	41.59
Pork packing & curing houses	7,952	38.80	30,297	43.72	40,345	55.21
Pulp & paper mills	13,513	0.18	51,467	8.96	56,961	11.37
Street car barns	10,033	53.26	69,930	31.84	39,426	24.26
Tanneries	2,172	274.08	8,237	145.04	9,387	172.28
Wood-working factories	61,065	50.82	145,157	33.86	223,873	50.06
Woollen & knitting mills	6,912	121.67	18,813	1.67	15,838	44.20
All other manufacturing risks	305,212	40.87	715,755	37.74	811,476	35.96
All other 1-yr. & short term risks	1,127,165	31.42	2,432,364	27.26	2,401,833	36.20
Sprinklered risks	285,911	22.12	1,419,833	22.41	1,281,690	31.68
Totals, 1935	8,939,701	33.76	17,442,602	35.83	15,562,028	38.13
1934	9,161,477	40.21	18,120,907	40.22	15,413,479	42.14

*Registered reinsurance deducted.
†Ratio of net losses incurred to net premiums written.

(B)—All Companies

	Net premiums *written	Net losses incurred	Ratio net losses incurred to net premiums written 1935	1934	5-yr. aver.
	$	$	%	%	%
Dwellings:					
In protected municipalities	8,575,388	3,102,750	36.18	46.58	47.33
In unprotected municipalities	2,900,202	1,582,411	54.56	60.63	73.14
All other dwellings & farm prop.	2,598,319	1,269,401	48.85	59.36	75.94
All other 2- or 3-year risks	2,271,463	579,499	29.91	28.97	46.62
Mercantile risks:					
Wholesale stores	980,873	384,841	39.23	30.01	51.41
Retail stores	8,165,830	2,996,106	36.69	32.07	50.35
All other mercantile risks	802,286	189,328	23.60	23.10	33.33
Breweries & malt houses	119,069	8,113	6.81	14.65	25.00
Boot & shoe factories	33,202	4,193	12.63	95.70	80.20
Canning factories	179,336	67,016	37.37	43.00	27.28
Confectionery & biscuit factories	35,829	19,742	56.10	32.79	40.37
Flour & oatmeal mills	187,413	58,561	31.25	87.15	84.13
Grain elevators	1,161,099	290,596	25.03	29.61	31.88
Laundries	112,964	35,331	31.28	13.89	28.52
Sawmills	416,029	122,234	29.38	194.43	128.86
Lumber yards	529,975	172,735	32.59	109.42	104.07
Machine shops & metal workers	451,097	186,316	41.30	34.46	35.61
Mining risks	756,919	451,871	59.70	64.64	46.20
Pork packing & curing houses	78,594	38,606	49.12	44.70	36.04
Pulp & paper mills	121,941	11,111	9.11	30.87	37.17
Street car barns	119,389	37,176	31.14	7.46	39.20
Tanneries	19,796	34,072	172.12	14.61	93.28
Wood-working factories	430,095	192,291	44.71	28.90	49.38
Woollen & knitting mills	41,563	15,726	37.84	95.10	65.17
All other manufacturing risks	1,832,443	686,694	37.47	28.72	42.09
All other 1-yr. & short term risks	5,961,362	1,886,832	31.65	36.72	54.03
Sprinklered risks	2,987,434	659,297	22.07	17.58	28.09
Totals, 1935	41,944,331	15,204,815	36.25	40:91	51.64
1934	42,695,863	17,467,971	40.91	52.81	55.79

*Registered reinsurance deducted.

J. H. Lithgow Heads Dominion Mortgage

J. H. Lithgow, general manager of the Manufacturers Life Insurance Co., has been elected president of the Dominion Mortgage and Investment Association for 1937. He succeeds T. A. Main of the Ontario Loan and Debenture Corp. Co., of London, Ont.

Other officers of the association are as follows: first vice-president, C. S. Hamilton, general manager Trusts and Guarantee Co.; second vice-president, John A. Rowland, K.C., general manager of Canada Permanent Trust Co. and joint general manager of Canada Permanent Mortgage Corp.

Insurance Inklings

The Canadian Underwriters Association has assumed control over insurance covering full limited explosion, riot and civil commotion, direct damage from aircraft and self-propelled vehicles and earthquake.

W. L. WHITE, acting manager at head office of the London and Lancashire Guarantee and Accident, has been appointed manager and secretary. F. C. D. OXENHAM, formerly assistant manager at Winnipeg, has been promoted to be manager.

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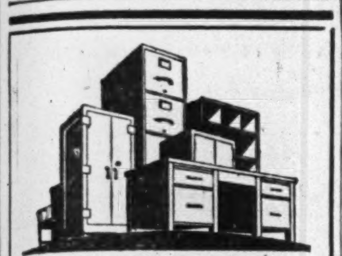

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Bank Chat

Western Branches

SPEAKING to The Post last week, the president of one of the chartered banks likened the present policy of the banks in respect to western business to that followed when a district is being opened up. Many times have the banks opened branches in new districts where operations have not been sufficiently profitable to justify existence of a branch. The purpose was, of course, to aid growth of the community to a point where future business would be profitable.

Under existing conditions, the banks are operating at a loss in order to tide the West over until more prosperous times make a profit possible.

In the case of his particular bank, he contends not one of the rural branches in the Prairie Provinces is operating at a profit. Moreover, he feels that this would be substantially true of the other banks. Most of the loans are for small amounts, involving considerable overhead expense. Losses are high, so high that they have more than eaten up any margin between interest paid on the loan and the cost of the money to the bank.

Existence of such conditions is not generally realized. If it were, there would probably be a great deal more sympathy with the banks. Particularly is this true of the West which has contributed at least its share of criticism of "hard hearted, grasping, bankers."

* * *

Unprofitable Business

THE report to the Saskatchewan tax commission, which is referred to elsewhere on this page, is further evidence of conditions in the West so far as they affect banking. Over the last 10 years none of the banks have made a profit in that province; and it is said that a similar statement could be made of the prairies as a whole.

These are facts which may well be borne in mind when seeking the "why" of a higher rate of interest on western loans. The banker mentioned above stated that in his opinion the banks might as well go out of the business as to consider making farm loans permanently at a straight interest charge of 7%.

He went further to suggest that westerners might have to reconcile themselves to a higher rate. This would probably take the form of a charge for service, which, he claimed, it is in actual fact.

At the present time, however, such a move would divorce any sympathy which the banks may have in the West. With debt adjustment, featuring reduction in interest rates, the order of the day, a move in the opposite direction would evoke a storm of protest.

In actual fact, the banks have participated in the reduction of interest on western loans. Western rates are from 1½ to 2½% below those of three years ago. Reductions have recently been made in grain loans and those to brokers.

* * *

Orillia's Scrip

ORILLIA'S scrip experiment is meeting with success according to early reports. Merchants are willing to accept the paper tokens, although some balk at giving change in real money.

In effect, the Orillia plan is a method of issuing relief vouchers. The scrip is issued only to relief workers and those on direct relief, and is limited to $10,000 a month. In cashing in on the scrip at the beginning of each month, there will be a loss of 1%, as the scrip will be accepted at 99% of face value. When taken to a bank before the due date, a further 1% is docked, leaving the final value of the scrip 98 cents on the dollar.

Royal Bank clerks worked on into the "wee sma' hours" counting the 43,000 pieces which made up the original delivery. In five denominations, $1, 50, 25, 10 and five cents, the scrip is printed in green and black, like a dollar bill. Publicity value has not been forgotten. The reverse side of the notes tells the holder that "Orillia, pioneer in municipally owned electric development, sells the cheapest power in Canada."

* * *

Employees of the Midland Bank who staff the branches maintained on the Cunard-White Star vessels travel as first class passengers—at the expense of the bank. Service of a sea-going banker is usually limited to two years. After that time, he is transferred to one of the offices on land.

Bank of Canada Weekly Statement

Deposits of the Dominion Government with the Bank of Canada dropped $5 millions, and those of the chartered banks increased $4 millions in the week ended Nov. 25. Note circulation showed further seasonal reduction.

Balance Sheet

	Nov. 25 $	Nov. 18 $
Liabilities		
Capital paid up	10,100,000	10,100,000
Notes in circ.	126,961,129	128,322,266
Rest fund	173,092	173,092
Dep.: Dominion	18,257,256	23,214,597
Banks	208,421,314	204,410,682
Other	1,266,189	663,696
Total deposits	227,944,759	228,288,975
All other liabs.	6,471,486	9,707,790
Total liabs.	371,650,466	376,592,123
Assets		
Reserve: Gold	179,132,723	179,218,728
Silver bullion	1,978,765	1,995,209
Res. in sterling and U. S.	15,486,534	13,951,440
Total reserve	196,598,022	195,165,377
Subsidiary coin	259,801	260,799
Advances	1,000,000	1,000,000
Investments:		
Dom. govt. short	65,462,484	66,058,103
Other Dom. govt.	103,243,322	103,543,035
Total invest.	168,705,806	169,601,138
Premises	364,662	364,712
All other assets	4,722,175	10,200,097
Total assets	371,650,466	376,592,123
Reserve ratio	55.39%	54.73%

$57,000,000

That is the staggering amount that Investors Syndicate has paid to its contract-holders in the past ten years!

And in each of those years—as in the 32 previous years of its history—the total resources of Investors Syndicate have grown appreciably larger. To-day these resources amount to $86,855,664—and, since it is the policy of the company to keep Canadian funds in Canada, $4,186,174 of that amount is invested in sound Canadian securities. Always, Investors Syndicate has met its obligations promptly when due.

These are a few of the reasons why so many thousands of men and women, under our plan of LIVING PROTECTION, are confidently building their own financial independence.

INVESTORS SYNDICATE
Established 1894
Agency offices of INVESTORS SYNDICATE LIMITED (Head Office: Montreal) and INVESTORS SYNDICATE (Head Office: Minneapolis) at St. John, N.B., Montreal, P.Q., Toronto, Ont., Hamilton, Ont., Windsor, Ont., Winnipeg, Man., Regina, Sask., Calgary, Alta., Edmonton, Alta., and Vancouver, B.C.

Bank Montreal Share Profits Up for 1935-36

Investments Expand as Current Loans Drop $60.3 Millions

MILLION TO RESERVE

From Our Own Correspondent

MONTREAL.—Bank of Montreal's financial statement for the 12 months ended Oct. 31, 1936, reveals an improvement in earnings on the capital stock from $8.35 to $8.84 a share; re-establishment of the appropriation for bank premise reserves; addition of $1 million to the reserve fund; further expansion in investments and a decline in loans.

Earnings for the past year totalled $4,173,146. This represents an increase of about $166,000 over the previous 12 months. Dividends were covered by a wider margin. The write-off for bank premises amounts to $200,000. This is double that ordinarily charged off, but makes up for 1935 when the charge was omitted. The reserve fund is increased by another $1 million, bringing it up to $39 millions compared with the bank's issued capital of $36 millions.

Particulars of the profit and loss account follow:

Income and Surplus Account
Years Ended Oct. 31

	1936 $	1935 $
Net earnings*	4,173,146	4,007,302
Less: Govt. taxes	991,645	1,002,090
Net profit	3,181,501	3,005,212
Less appropriations:		
Dividends	2,880,000	2,880,000
W/o premises	200,000	......
Surplus for year	101,501	125,212
Add: Previous surplus	1,935,033	1,809,821
Less: Trans. to res. fund	1,000,000	......
Bal. carried forward	1,036,534	1,935,033

*After making appropriations to contingent reserve fund, out of which full provision for bad and doubtful debts has been made.

Current Loans Decline

The balance sheet as at October 31 would indicate that commerce and industry is still restricting bank borrowings despite expansion in general business. Compared with the returns for Oct., 1935, the 1936 report shows current loans at $174.1 millions, a drop of $60.3 millions during the year.

Call loans, both in Canada and elsewhere, recorded a sharp increase during the year, reflecting, in part, increased activity in the financial markets. Call loans in the country advanced during the year from $4.4 millions to over $8.1 millions, while those outside the country increased from $18.8 millions to $25.4 millions.

General Statement as at Oct. 31

	1936 $	1935 $
Assets		
Gold in Canada	22,726	3,619
Subsid. coin in Can.	944,910	1,477,881
Gold elsewhere	535	2,027
Subs. coin elsewhere	134,809	180,267
Notes of Bk. of Can.	14,515,013	12,749,510
Dep. with Bk. of Can.	63,187,715	67,945,186
	78,805,708	82,358,490
Notes of other banks	1,496,325	1,385,227
Cheques on other bks.	27,725,906	26,229,369
Foreign currency	436,372	353,146
Due by other banks	1,768	1,526
Due by bks. abroad	20,624,958	37,902,358
Call loans in Can.	8,169,989	4,435,736
Call loans elsewhere	25,400,167	18,835,238
	83,855,485	89,142,600
Govt. securities:*		
Matur. within 2 years	196,243,741	136,857,461
Other securities	174,111,513	182,381,254
Can. munic. secs.*	35,060,723	31,234,217
Pub. secs., foreign*	15,197,594	4,776,335
Other securities*	23,197,824	6,624,454
	443,811,395	361,873,721
Total quick assets	606,472,588	533,374,811
Curr. loans in Can.	130,850,026	185,641,800
Loans to prov. govts.	766,340	10,572,087
Loans to munic. & sch. dist.	27,606,926	27,752,259
Curr. loans abroad	11,904,652	7,021,480
Non-curr. loans	3,013,067	3,473,685
	174,141,011	234,461,311
Bank premises	14,000,000	14,500,000
Other real estate	685,577	698,165
Mtges. on real est.	821,797	825,267
Letters of credit	7,168,979	7,066,426
Dep. re circ. fund	1,737,019	1,686,427
Controlled cos.	4	58,005
Other assets	55,022	102,461
	24,468,398	24,936,751
	805,081,998	792,772,873
Liabilities		
To the Public		
Circulation	27,749,972	29,959,129
Depos. by Dom. Govt.	21,477,315	9,900,920
Depos. by Prov. Govt.	8,443,957	15,100,962
Deposits by public:		
Non-int. bearing	189,401,980	151,209,828
Int. bearing	463,579,912	490,122,270
To banks in Canada	1,761,698	3,010,534
To banks abroad	6,647,192	7,600,352
Bills payable	137,839	353,012
Letters of credit	7,168,979	7,066,426
Sundry liabilities	1,947,006	1,784,347
	728,315,850	716,107,780
To the Shareholders		
Dividends	729,613	730,060
Reserve	39,000,000	38,000,000
Capital	36,000,000	36,000,000
Surplus	1,036,535	1,935,033
	76,766,148	76,665,093
	805,081,998	792,772,873

*Not above market value.

Bank Profits Nil In Saskatchewan

Not one of the chartered banks shows a profit on operations in Saskatchewan over the last 10 years, The Financial Post is informed on very reliable authority.

This summer, the Saskatchewan Government set up a tax commission to which the banks were requested to submit details of operations in the province over a 10-year period. If the authorities hoped to obtain additional taxable income from this source, they met with disappointment. While figures are not available for publication, it is understood the combined losses of the banks run into a very substantial amount.

It has been known for some time that the banks which operate in the West have been losing money on a large percentage of rural branches. The extent to which this might have been offset by more profitable business in urban centres, where loans are usually for a larger amount and losses less frequent, has been a matter of some conjecture.

Although a survey has been made only in Saskatchewan, it is believed that a similar result would be uncovered by investigation into the banks' operations in the other Prairie Provinces.

Can. Banks Announce Annual Meeting Dates

Annual meeting dates of those banks which have not yet presented their complete reports are as follows:

Bank of Montreal Dec. 7.
Canadian Bank of Commerce Jan. 12.
Royal Bank of Canada Jan. 14.
Bank of Toronto Jan. 20.
Bank of Nova Scotia Jan. 27.
The Dominion Bank Jan. 27.
Montreal City & District Savings Bank Feb. 8.
Bank of Canada Feb. 23.

Dominion Bank Opens Branch at Geraldton

The Dominion Bank opened a branch at Geraldton, Ont. Dec. 1, under the management of T. B. Connochie. On the Canadian National Railway line about 200 miles northeast of Fort William, the town is the centre of the Little Long Lac mining district.

Weekly Bank Clearings

	Nov. 26, 1936 $	Change Year Ago %	Nov. 19, 1936 $
Halifax	2,388,555	+11.4	2,845,688
Saint John	1,985,688	+10.5	2,036,114
Moncton	851,110	+ 1.0	878,646
Sherbrooke	571,875	— 1.7	688,106
Quebec	5,082,946	+31.1	5,394,198
Montreal	121,804,776	+24.7	125,371,790
Ottawa	34,847,051	+11.3	21,344,844
Kingston	540,186	+14.2	668,960
Peterborough	596,952	+ 2.8	689,697
Toronto	146,547,797	+36.7	155,604,147
Hamilton	4,966,265	+19.2	5,394,263
Kitchener	1,059,710	+17.9	1,228,174
Brantford	848,390	+ 7.7	1,063,645
London	2,630,079	+10.2	3,476,266
Chatham	694,742	+36.1	712,718
Windsor	2,983,584	+29.2	3,388,788
Sarnia	532,184	+14.6	536,084
Sudbury	1,015,799	+42.6	1,112,871
Fort William	809,051	+47.3	860,957
Winnipeg	45,675,251	—28.9	60,110,702
Brandon	279,634	+ 8.6	401,318
Regina	3,708,490	— 0.5	4,780,177
Moose Jaw	648,502	+10.7	843,360
Saskatoon	1,515,968	+ 0.1	1,910,861
Prince Albert	333,979	—12.8	436,928
Edmonton	3,479,750	— 1.8	5,002,949
Calgary	5,976,782	—21.9	7,241,301
Medicine Hat	226,584	—14.7	268,348
Lethbridge	434,071	—13.8	547,884
N. W'minster	616,613	+ 9.3	645,356
Vancouver	19,988,191	+23.4	20,140,183
Victoria	1,611,911	+10.6	1,952,700

Bank Debits Up Above '35

But Seasonal Gain in October Less Than Normal

October bank debits at $3,328 millions continued the improvement recorded in earlier months of this year in comparison with 1935. With 27 of the 32 reporting clearing houses showing increased debits, the total was 14.5% above that of October last year.

The advance is attributed to greater activity on security markets and improving business generally. Speculative trading on stock exchanges has shown a pronounced increase, while both physical volume of business and employment in manufacturing plants have made substantial gains. Higher prices have also been a factor. Common stock prices in October were about 31% above the 1935 level; wholesale cost of commodities was up about 6%.

Quebec Province led the economic areas in percentage gains with 30.8. Ontario advanced 21.8%, British Columbia 19% and the Maritimes 10.3%. The Prairie Provinces were the exception; the five clearing centres which reported lower volume of debits were all in this area. As a result, the total was down 11.6%.

Increase Less Than Seasonal

Despite the marked advance in comparison with a year ago, the increase over the previous month was materially less than normal. Consequently, the adjusted total was 13.8% lower than in September. All sections of the country were lower in this comparison, with the decline particularly noticeable in the Prairies and in Ontario.

The cumulative total for the first 10 months of the year stands at $29,221 millions, as against $25,592 millions in the same period of 1935. Edmonton and Lethbridge in Alberta, and Ottawa, Ont., are the only clearing centres where volume of bank debits has not exceeded that of a year ago.

Comparative figures for October are as follows:

Debits to Individual Accounts

	Oct. 1936 $	Oct. 1935 $
Maritime Provinces		
Halifax	29,181,016	27,992,067
Moncton	8,582,384	7,952,361
Saint John	18,107,639	14,740,621
Total—Maritime Provinces	55,871,039	50,685,049
Quebec		
Montreal	920,658,683	732,024,700
Quebec	103,499,737	49,265,780
Sherbrooke	6,511,465	6,476,072
Total—Quebec	1,030,669,885	787,766,552
Ontario		
Brantford	8,493,025	8,356,966
Chatham	8,199,190	6,231,408
Fort William	6,000,022	4,416,831
Hamilton	54,717,498	50,329,902
Kingston	6,400,716	5,455,712
Kitchener	11,596,508	10,922,221
London	39,610,906	29,193,246
Ottawa	132,702,413	117,708,149
Peterborough	5,720,823	5,467,593
Sarnia	6,962,462	6,148,444
Sudbury	6,735,899	4,810,068
Toronto	1,022,824,810	823,837,133
Windsor	31,574,608	28,960,309
Total—Ontario	1,341,538,880	1,101,838,002
Prairie Provinces		
Brandon	2,871,818	2,482,312
Calgary	65,802,184	82,813,176
Edmonton	36,810,639	35,230,481
Lethbridge	4,689,366	4,972,425
Medicine Hat	2,877,107	3,443,557
Moose Jaw	10,279,323	5,825,293
Prince Albert	2,687,996	2,398,686
Regina	60,696,251	65,188,604
Saskatoon	13,469,707	13,215,790
Winnipeg	524,786,857	604,345,261
Total—Prairie Provinces	724,971,248	819,915,585
British Columbia		
New Westminster	6,757,324	6,113,368
Vancouver	141,398,384	118,096,698
Victoria	27,018,901	23,101,113
Total British Columbia	175,174,609	147,311,179
Total for Canada	3,328,225,661	2,907,516,367

Lower Interest Rates Hit U. S. Competition

Competition of American institutions in financing western grain movement has dwindled this fall. A year ago, the Canadian banks were faced with stiff opposition from the United States on certain types of grain loans; funds being offered at 3% and less, in comparison with the then "standard" Canadian rate of 5½%.

That competition is now less keen is attributed largely to reduction in loan rates by the chartered banks. In June, just after announcement of reduction in interest paid on bank deposits, the banks cut the rate on grain loans to 5% on country stocks and 4½% on holdings covered by terminal warehouse receipts. It was pointed out at that time that a fixed quantity of grain in terminal elevators, certified by the Board of Grain Commissioners, was a better type of security than that in store in country elevators, with only the elevator company's records to certify weight and probable grade.

More recently, a further reduction has been made, and the advances divided into three classifications. Loans are now made at 3½%, 4% and 5%, varying according to the type of security. The 3½% rate prevails on terminal receipts where substantial blocks of money are concerned. The 5% rate, of course, is on country grain.

Liquidation of surplus grain holdings probably exerted considerable influence in the downward movement of interest rates. With a short crop this year, and heavy outward movement of carryover, the amount of financing by the banks is now much less than a year ago. Competition between the Canadian banks is thus increased.

HOME IMPROVEMENT LOANS

The Bank of Toronto will make loans up to $2,000 to responsible persons who are property owners, for home improvements.

Full information regarding advances under the new provisions of the Dominion Housing Act will be gladly supplied.

Recognizing the importance of the measures recently introduced by the Government, The Bank of Toronto willingly offers its co-operation.

THE BANK OF TORONTO
Incorporated 1855

Staff Changes

The Royal Bank has made the following changes in staff:

F. C. KENNEDY, formerly assistant inspector at supervisor's department, Toronto, to be manager at Brantford, Ont.

M. W. GORDON to be manager at Morden, Man.

The Dominion Bank has announced the following staff changes:

J. B. O'NEILL to be manager at Yonge and Gerrard, Toronto.

E. S. SWALLOW, formerly manager at Yonge and Gerrard, Toronto, to be assistant manager at Toronto branch.

W. COUPAR to be manager at Mount Forest, Ont.

P. A. JOURNEAUX, formerly manager at Mount Forest, to be manager at Brooklin, Ont.

J. A. TILLEY, formerly manager at Brooklin, to be manager at Mount Albert, Ont.

T. A. SMITH, formerly manager at Mount Albert, to be manager at Gravenhurst, Ont.

T. LONG to be manager at Gage Ave., Hamilton.

H. EVES to be manager at Mount Pleasant and Hillsdale, Toronto.

Royal Bank of Canada Sues Port Royal Pulp

From Our Own Correspondent

MONTREAL. — Royal Bank of Canada has taken legal proceedings against the Port Royal Pulp and Paper Co. for the recovery of about $8,000, claiming it was wrongfully deprived of pulpwood which it says the defendant converted to its own use and also claiming for goods and merchandise alleged to have been sold and delivered to the defendant.

TRANSFER AGENT
REGISTRAR TRUSTEE
Agents under Escrow or Pooling Agreements
We offer every equipment and prompt dependable co-operation.
CAPITAL TRUST Corporation Limited
MONTREAL OTTAWA TORONTO

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1936	£115,559,000

A. C. DAVIDSON, General Manager.
767 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY. London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

BANK OF MONTREAL

Established 1817

A presentation, in easily understandable form, of the Bank's

ANNUAL STATEMENT

31st October, 1936

LIABILITIES

LIABILITIES TO THE PUBLIC	
Deposits	$691,312,054.08
Payable on demand and after notice.	
Notes of the Bank in Circulation	27,749,972.00
Payable on demand.	
Bills Payable	137,838.65
Time drafts issued and outstanding.	
Acceptances and Letters of Credit Outstanding	7,168,979.49
Financial responsibilities undertaken on behalf of customers (see off-setting amount [x] in "Resources").	
Other Liabilities to the Public	1,947,005.98
Items which do not come under the foregoing headings.	
Total Liabilities to the Public	$728,315,850.20
LIABILITIES TO THE SHAREHOLDERS	
Capital, Surplus and Undivided Profits and Reserves for Dividends	76,766,147.82
This amount represents the shareholders' interest in the Bank, over which liabilities to the public take precedence.	
Total Liabilities	$805,081,998.02

RESOURCES

To meet the foregoing Liabilities the Bank has	
Cash in its Vaults and Money on Deposit with Bank of Canada	$ 79,242,079.39
Notes of and Cheques on Other Banks	29,222,231.15
Payable in cash on presentation.	
Money on Deposit with Other Banks	20,264,801.82
Available on demand or at short notice.	
Government and Other Bonds and Debentures	442,781,097.95
Not exceeding market value. The greater portion consists of gilt-edge securities which mature at early dates.	
Stocks	1,030,297.08
Railway and Industrial and other stocks. Not exceeding market value.	
Call Loans outside of Canada	25,400,166.98
Secured by bonds, stocks and other negotiable securities of greater value than the loans and representing moneys quickly available with no disturbing effect on conditions in Canada.	
Call Loans in Canada	8,169,988.82
Payable on demand and secured by bonds and stocks of greater value than the loans.	
Bankers' Acceptances	361,924.25
Prime drafts accepted by other banks.	
TOTAL OF *QUICKLY AVAILABLE RESOURCES* (*equal to 83.27% of all Liabilities to the Public*)	$606,472,587.44
Other Loans	174,141,011.90
To manufacturers, farmers, merchants and others, on conditions consistent with sound banking.	
Bank Premises	14,000,000.00
Two properties only are carried in the names of holding companies; the stock and bonds of these companies are entirely owned by the Bank and appear on the books at $1.00 in each case. All other of the Bank's premises, the value of which largely exceeds $14,000,000, appear under this heading.	
Real Estate, and Mortgages on Real Estate Sold by the Bank	1,507,373.67
Acquired in the course of the Bank's business and in process of being realized upon.	
x Customers' Liability under Acceptances and Letters of Credit	7,168,979.49
Represents liabilities of customers on account of Letters of Credit issued and Drafts accepted by the Bank for their account.	
Other Assets not included in the Foregoing	1,792,045.52
Making Total Assets of	$805,081,998.02
to meet payment of Liabilities to the Public of	728,315,850.20
leaving an excess of Assets over Liabilities to the Public of	$ 76,766,147.82

PROFIT and LOSS ACCOUNT

Profits for the year ended 31st October, 1936, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made, and after deducting Dominion and Provincial Government Taxes amounting to $991,645.26		$3,181,501.37
Dividends paid or payable to Shareholders	$2,880,000.00	
Written off Bank Premises	200,000.00	
		3,080,000.00
		$ 101,501.37
Balance of Profit and Loss Account, 31st October, 1935		1,935,033.36
		$2,036,534.73
Transferred to Rest Account		1,000,000.00
Balance of Profit and Loss carried forward		$1,036,534.73

CHARLES B. GORDON, *President*

W. A. BOG, JACKSON DODDS, *Joint General Managers*

* * *

The strength of a bank is determined by its history, its policy, its management and the extent of its resources. For 119 years the Bank of Montreal has been in the forefront of Canadian finance.

Week in Mining

O'Brien Again Features Week's Mining Market

Individual Action Noted, Rather Than Broad Movements — Lack of Dominant Factors

Individual gains and losses, rather than a broad movement, continued to feature the mining market in the past week. Trading was marked by absence of any dominating factor, after the disappearance of the war scare which, some days before, had knocked some of the golds down.

O'Brien continued to make news, and registered another new high at $13, on the strength of favorable news from the property.

Some speculators insist on comparing such stocks as O'Brien to Lake Shore in its early days, claiming, in some cases, that Lake Shore's future, at a similar stage of development, was discounted to a greater degree than is O'Brien's. Such a comparison falls down for sheer lack of data on which to stand. It is a futile argument. Each stock has to stand on its own feet, and it appears rather a waste of time to attempt a comparison on such a basis.

MacLeod-Cockshutt, Pickle Crow, McKenzie Red Lake, and the Malartic issues continue to be strong features of the market.

Pioneer's Dividend

SIMPLE arithmetic indicates that unless something unforeseen occurs in development work, Pioneer Gold Mines will be forced to reduce the dividend payment after the Jan. 2 payment next year.

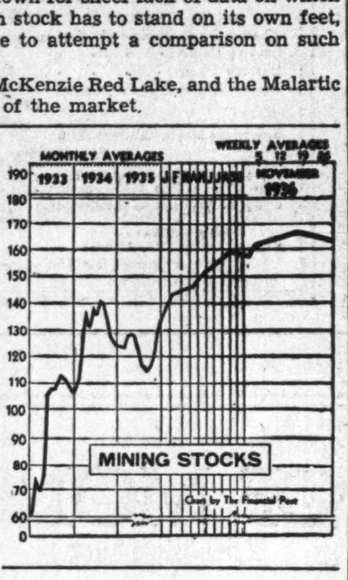
Directors have stated that monthly production will, for the time being, be around $170,000. From its past performance, expenses, exclusive of depletion, taxes and depreciation, may be set at around $77,000 per month. This gives a quarterly gross of $510,000 against expenses of $231,000, leaving a quarterly profit, before taxes, etc., of $279,000. On the present dividend basis of 20 cents per share per quarter, Pioneer would have to pay a total of $350,-350 in dividends, so that unless production in the next few months exceeds official expectations, it is difficult to see how Pioneer can maintain quarterly dividends of much over 10 cents per share, or 40 cents per year, without tapping the reserve of $1.1 million. This, officials state they will not do.

On the other side of the picture is the fact that, according to officials, ore so far located at the deep levels compares favorably with the grade encountered on other levels opened up below the 14th level.

At 40 cents per share per annum, the yield on Pioneer stock at the current market of around $6 per share, would be about 7%. The company reports ore reserves totalling 600,000 tons, of 0.54 oz. grade. At a milling rate of 375 tons per day, this would be sufficient to supply the mill for nearly five years.

In addition, the declining monthly production is undoubtedly due to the large percentage of development ore passed through the mill, a condition which can only be temporary.

* * *



As a result of this work, O'Brien stock has reached a high of $13. At this price the public is placing a valuation of over $42.2 millions. This compares with a market valuation at present prices of $33.5 millions for McIntyre-Porcupine; $44.5 millions for Wright-Hargreaves, and only $18.7 millions for Macassa.

* * *

McKenzie's Increase

McKENZIE RED LAKE appears to be getting more firmly entrenched as a producing mine, having recently started to install additional equipment to give the mill a capacity of 225 tons per day. Just how this increase from the present rate of about 145 tons daily will affect earnings, is impossible to predict, inasmuch as the management have made it clear that the exact amount of increased milling will depend on development results.

Production at present is running at about $180,000 per quarter. Assuming a rate of 200 tons per day, and the same grade of around $13.40, quarterly gross would then be in the neighborhood of $271,350. Making a guess, based on previous operations, at operating costs of about $6.30 per ton, operating profit per quarter should be about $127,800. Costs per ton would, of course, decline as the tonnage milled is increased.

Previous ore reserve estimates have been confined to results above the 450-ft. level and showed about two years' supply on hand. Since then, work on the two new levels being opened up has given good results, and has undoubtedly added to this picture.

* * *

Read-Authier

THE report recently issued by Read-Authier Mines is probably responsible for the renewed rumor to the effect that this company plans shortly to distribute to its shareholders its holding in Lamaque and Sigma Mines. The Financial Post learns this rumor is incorrect.

In the eighth annual report issued last April, Hector Authier, former president, stated: "The general policy which is being followed by your board remains unchanged, namely to refrain from taking any interest in outside ventures and to maintain the company's assets intact until such time as Lamaque and Sigma are established on a dividend-earning basis, whereupon the shares thereof presently held by the company will be distributed pro rata to the shareholders."

A distribution therefore would entail a complete reversal of policy. While directors are not bound by this policy in the charter of the company, the fact it has received the endorsation of shareholders would virtually mean that such a reversal would have to be laid before a general meeting.

However, The Post is informed that the directors are not contemplating such a move.

* * *

Index to Mining Stocks

FOLLOWING the lead of the industrial section prices on the mining market were irregularly lower last week. The general index for 23 mining stocks declined from 169.2 for the week of Nov. 19 to 168.3 for the week of Nov. 26. For the same period last year this index was 129.9.

With the exception of one or two issues, notably Macassa and San Antonio, which advanced against the trend, losses were prevalent in the gold group. The index stood at 133.0 for the week ending Nov. 26 as compared with 133.9 for the week ending Nov. 19, 1936, and 115.6 for the corresponding week last year.

In spite of substantial strength in Hudson Bay, the index for the base metal issues closed lower at 314.4 for the week of Nov. 26 as compared with 315.1 for last week. The corresponding index last year was 188.6.

Hollinger's Young-Davidson

THE policy of investing part of their reserves in new prospects and outside ventures generally, adopted by most of the large Canadian gold producers, has been proved a wise one, and is a necessary one if these mines are going to be regarded as investments in the true sense of the word.

It is apparent, for example, that the Young-Davidson property of Hollinger Consolidated, originally looked upon by some shareholders as more or less of an unwanted child, is now a very real source of income. During October, this low grade producer turned out bullion valued at $89,188 from 28,136 tons, an average recovery of $3.17 per ton. For the full year, production has been estimated at about $850,000. This compares with a gross of $713,-380 last year.

This year, an expensive programme of exploration and development has been carried out which will temporarily increase costs. Recently some high grade ore has been found on the 262-ft. level, and should aid in raising the millheads, however.

* * *

O'Brien Results

O'BRIEN has cut the No. 4 vein, which to date has been the source of the spectacular high grade, in the station at the 1,260-ft. level. This development occurred in connection with sinking the main shaft from 1,012 ft. to 1,500 ft.

This indicates not only downward continuation of the high grade, but also, from results obtained in slashing to the west at this level suggests a considerable lengthening out of the high grade occurrence as compared with the levels above.

Hard Rock Mines Offering Rights

Hark Rock Gold Mines, with property in the Little Long Lac district of Ontario, is offering rights to shareholders on 500,000 shares comprising the new stock added to the company's capital by supplementary letters patent. These 500,000 shares are being offered to shareholders on the basis of one new share for each five shares held as at Dec. 15, 1936, at $2 per share payable $1 with the subscription on or before Dec. 30, 1936, and the balance on or before Feb. 3, 1937.

Payment of the second installments may be anticipated but no discount will be allowed for prepayment.

Form Kirgood Gold Mines For MacPherson Claims

Kirgood Gold Mines has recently been incorporated with an Ontario charter to develop a property formerly known as the MacPherson claims in the East Kirkland Lake area. The company has an authorized capitalization of three million shares of which 1.2 million have been issued for the property. These are in escrow.

Directors meeting recently arranged with Mining Research Corp. whereby S. Power Warren, vice-president of that company, will leave for the property in order to make an examination.

Directors of the new company include Col. Charles R. Hill, pres., Brig.-Gen. C. L. Hervey, vice-pres., R. J. Driscoll, W. H. Stanton, directors and J. P. Manley, sec.-treas.

Loopholes in Law Found By Notorious Salesmen

Other Cities View Toronto as Centre of Ramified Sales Methods

DO UNTOLD HARM

BY WILFRID SANDERS

On Nov. 19 last, a Toronto man, busy at his desk, received a telephone call from a Bay St. dealer in unlisted stocks. A persuasive voice launched into a cleverly prepared sales talk, urging the purchase of stock in a Kirkland Lake "prospect." Impervious to statements such as that he could easily make a lot of money for Christmas, important drill results would soon be made public, etc., the businessman stalled, and finally hung up.

One week later all work at the Kirkland Lake "prospect" stopped, results having been entirely negative. The bottom fell out of the market for the stock.

A few days before a citizen of Birmingham, Alabama, was electrified and slightly flattered to receive a long distance call from Toronto, Canada. He was told of confidential information in connection with a wonderful gold prospect in the Woman Lake area, "way up in northern Ontario." He agreed to buy 1,000 shares of the stock.

About the same time, a Winnipeg man received a telephone call from still a third firm in Toronto, telling him of the wonderful opportunities available via stock in a Hastings county property. He was urged to buy 2,000 shares at 39 cents per share. A powerful pool had purchased control and was going to put the stock up to $1 in a week or so, he was told.

Today, on a supported market, the stock is still selling at 39 cents per share.

"Within the Law"

Multiply these cases by hundreds, and one can realize why today Montreal, Vancouver, Winnipeg, and other centres regard Toronto as being, once more, the operating base for mining men whose goal is not the gold in the pre-Cambrian shield, but the gold in the pockets of the unsuspecting.

The worst feature of the whole thing is that these men are acting within the law.

Some, in Toronto today, are internationally notorious. The fact that they are operating with impunity reveals with disconcerting clarity several vital flaws in the securities legislation, not only of Ontario, but across Canada.

For instance:

The firm which telephoned the Toronto man cited at the outset was acting within the law. A month before, the intended victim had filled in a card asking for some literature on the mining market. This, according to the regulations, made him a "client" of the brokerage outfit, and entitled the latter to telephone him in the manner described.

Both the Alabaman, and the Winnipeg resident lived outside Ontario, and therefore were legitimate prey for the Toronto firm of share-pushers. Nothing definite has as yet been done to define the jurisdiction of the Ontario Securities Commission in such cases.

Known on Two Continents

Again, the fact that share-pushers of international notoriety are living and operating in Toronto is possible because of that handy invention, "the front man." By masquerading behind unknown men, these operators are able to carry on without licenses to sell. The license under which they operate is issued to some innocuous individual, who is unknown to the public. The "big time crooks," however, in reality control the business and direct its methods of stock selling.

The Financial Post knows of a case involving three registered stock selling concerns, operating from Toronto. While legal proof is not obtainable, it is generally known by insiders that the power behind these three concerns is a man known unfavorably on two continents.

Authorities will say that this man has no license to sell. True enough, but he needs no license to employ his well-known methods of salesmanship, via the "front man."

Theoretically, this man should never be allowed to hang up his hat in Toronto or any other Canadian city, where the public can easily be enthused over any venture even remotely connected with mining.

Tipster Sheets Again

Along with the telephone, the old-time tipster sheet, in slightly changed form, is also back. Regulations passed a month or so ago by the Ontario Securities Commission state that all market letters and alleged mining news sheets should clearly state the issue in which the publishing firm is interested. The Post has evidence that this commendable regulation is being flouted.

It is apparent that only by interprovincial and international co-operation can the high-pressure telephone salesman be eradicated. This should not be as impractical a goal as it appears on surface. The provinces have already gone a long way toward co-operating against these operators but they have not yet gone far enough. The same thing might be said of co-operation between Canadian authorities and the Securities Exchange Commission at Washington.

Those Canadians interested in the reputation of the mining industry are hoping that many of these evils will be aggressively attacked at the interprovincial conference of governmental securities regulators, to be held in Toronto next January.

Behind the tremendous activity in the mining market today are some very tangible and healthy factors. The Canadian mining industry from the point of view of production alone has grown tremendously in the past few years, as every Canadian is aware.

Owing to the comparative smallness of the Canadian population, it is logical that the finances for further developing this industry must come mainly from sources outside the Dominion. The type of stock salesman described above can do untold harm to the financing of what is now becoming, on its own merits, one of the great Canadian industries.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — John D. Galloway, managing director of Reward Mining Co., has submitted a report to shareholders outlining the result of a recent examination of the company's properties on Porcher Island and in the Bridge River section.

Mr. Galloway recommends installation of a small mill on Porcher Island when sufficient ore has been developed in the present operations. The crosscut tunnel has been driven 950 ft., and two veins have been encountered carrying commercial grade of milling ore and some shipping ore which is being taken out on drifting.

Dr. V. Dolmage has recommended additional work on the company's property in the Bridge River district. The tunnel will be extended and sinking and drifting will also be undertaken.

* * *

Form Subsidiary

Reward has decided to form a subsidiary corporation to handle its oil leases in the Turner Valley obtained through C. P. Riel early this year. The leases have been dormant for some time, and it is proposed to go ahead with a drilling programme on a site to be recommended by Russell V. Johnston, Calgary geologist.

* * *

Home Oil in Turner

Home Oil, Ltd., has decided to undertake more aggressive development measures in the Turner Valley field, where it has acquired 8,000 acres in the northwest area and some acreage additional near the Turner Valley Royalties well.

* * *

To Work Cariboo Placers

Col. Victor Spencer and Ben Smith, of New York, who were active in developing Pioneer Gold and B. C. Nickel, are said to be planning an active programme with Cariboo Placers. The property has been in charge of Darby Morkill.

* * *

Smelters to Drill Cassiar

Consolidated Mining & Smelting Co. will shortly proceed with exploration and drilling of the Cassiar Syndicate's holdings in McDame's Creek area, Cassiar. Cassiar Syndicate is financed by Victoria interests, with R. H. Pooley, M.L.A., trustee.

* * *

Weather Aids Placer Work

Fine weather has enabled the Cariboo Hydraulic Placer Co. at Barkerville to continue operations much later than usual. The work was started three years ago, financed by Calgary interests under Hon. Charles Ross.

* * *

Fred Wells to Work Hudson

Fred M. Wells, creator of the Cariboo Gold Quartz Mining Co. is now planning development of his Hudson claims at the head of Harvey and Cunningham Creeks, about 20 miles northeast of Cariboo Quartz. He claims that assays taken from the surface and from the tunnel driven originally 15 years ago went from half an ounce to $100 to the ton, with wide veins. A crew of 30 men will be at work all winter.

* * *

Pleased With B.R.X.

French capitalists backing the present development programme of B.R.X. Gold Mines on the Cadwallader Creek in Bridge River district have authorized sinking of a 500-ft. shaft to intersect the Gloria Kitty and California veins. Andre Fonville, consulting engineer, was well pleased with the results of a visit to the mine this month.

* * *

Interest in Base Metals

Considerable interest has been revived in the base metal mines of British Columbia, with Pend Oreille and Grandview sharing the spotlight. Pend Oreille is going ahead with a $150,000 hydro scheme.

White Valley Mines Works Calcium Carbonate Group

Owning an Amorphous Calcium Carbonate deposit in Peterborough County, Ont., White Valley Mines is currently offering 225,000 shares at an initial price of 50 cents per share, through Taylor Securities Corp., Toronto.

By a report of the Canadian Inspection and Testing Co., dated Sept. 17, 1936 the property is reported to contain in excess of 1.5 million tons of Amorphous Calcium Carbonate.

The company estimates that complete cost of plant and equipment ready to produce a finished product will be $50,000 and another $50,000 is required to provide working capital and take care of possible expansion.

W. H. Hubbard, general manager, estimates that the first year's production will be approximately 7.500 tons and the cost per ton of finished products, including operations and overhead will be $5. The freight will average approximately $2 per ton carload giving a total cost of $7 per ton delivered. The company proposes to sell its product at $12 per ton.

White Valley Mines has an authorized capitalization of 500,000 shares no par value; 225,000 shares were issued for the property and are held in escrow. Directors comprise Lumsden Cummings, pres.; J. R. L. Starr, K.C., Toronto; H. W. Ackerman, Belleville; J. T. Braund, Peterborough, and R. J. Law of Toronto.

Arntfield Gold Strikes New Ore at 525 & 675 Ft.

Arntfield Gold Mine in the Rouyn district of Quebec reports encouraging results from the 525- and 675-ft. level where what appears to be an entirely new ore body has been entered some distance east of the No. 3 shaft. Full dimensions of the new ore remain to be disclosed by further work. The work to date indicates excellent width and values which with Arntfield's low cost would be profitable.

Ore from three development faces is already being drawn for mill feed and V. A. James, resident engineer, reports three stopping places. The objective of the present campaign is enlargement of the mill.

Survey of Oils Handy Record Of Industry

Active and Inactive Companies Analyzed in New Volume

MANY MAPS

Marking a return of investment interest to the Canadian oil and gas industry, "The Financial Post Survey of Canadian Oils, 1937," is now off the press and offers a thorough growing cross-section of this industry in Canada.

The Survey shows that both from a market and a production angle the industry is in better shape than it has been for many years. In conjunction with rising oil prices throughout the world, and a better statistical position for oil, the discovery of crude on the west flank of the Turner Valley was sufficient to stimulate, to an unprecedented degree, exploration of Canadian oil and gas fields.

Detailed Maps

In addition to complete statistical information on this growingly important Canadian industry, the Survey of Canadian Oils analyzes the position individually of all active oil and natural gas enterprises. In addition, as complete a list as possible of the inactive, dead, and dormant companies is given.

Complete and detailed maps of the oil and gas fields of Ontario and Alberta have been prepared from authentic sources.

The Financial Post Survey of Canadian Oils, 1937, is a worthy companion to The Financial Post Survey of Mines. The new book appears in handy size which makes it convenient both as a desk reference and for the man who requires a volume which he can readily carry with him on his travels.

The price of this volume is $1, postage paid.

Ross Expects Huge Outlay For Turner

Sees $2 to $3 Millions Ready For Next Few Months Development

SELECT LOCATIONS

From Our Own Correspondent

CALGARY.—Extent of the drilling programme scheduled to be under way during the next few months in Alberta was made clear in an announcement made at Edmonton recently by Hon. C. C. Ross, minister of lands and mines.

Hon. Mr. Ross declared that between $2 millions and $3 millions would be spent on development. Locations had been selected for 20 new wells and there were, at least, 20 more new wells in prospect.

The majority of the new wells will be drilled in the Turner Valley area but a number of new tests are assured for other promising structures in the province.

Hon. Mr. Ross said the general interest in the Alberta oil situation was due to a "realization, confirmed to a great extent by the bringing in of the Turner Valley Royalties well, at an initial approximate production of 850 bbls. a day with a small flow of gas, that there awaits, on the west side of Turner Valley, a potential production of very high-grade crude oil."

Hon. Mr. Ross said additional encouragements were the expected successful completions in the near future of the Sterling Pacific No. 3 well, now drilling at 300 ft. in the limestone, and the Foundation well, where completion is being delayed because of a lost bailer.

Foundation in Trouble

Of the wells active in southern Alberta the most interesting at the present time are Foundation and Sterling Pacific 3 in Turner Valley; New Valley, in New Valley; McLaren No. 1 in Hunter Valley; Arca, west of High River; and Roxana on the Kootenay Dome, west of Calgary.

Foundation has been beset with troubles but has now come in with a strong flow of crude, latest reports state, as it was being given a production test. After vain endeavors to recover the bailer, the Foundation Royalties company has decided to drill it through and again take a production test. Sterling-Pacific 3 is drilling in the limestone and may strike production at any moment. It is being drilled by Imperial Oil. Both these wells are on the famous west side of Turner Valley where the big Turner Valley Royalties well is located.

Find Lubricating Oil

The New Valley well has encountered the only lubricating oil in quantity so far discovered in Alberta, with the possible exception of the Fort Norman field in the far north of the province. About 600 ft. of this oil were standing in the hole at New Valley, a structure just east of Turner Valley, at last report and drilling was proceeding from 6,880 ft. in the hope of penetrating another oil sand.

The McLaren No. 1 well is an interesting test of the Hunter Valley structure, west of Olds. Financed by British capital, the Hunter Valley company is drilling the well with fast rotary equipment. A number of gas and oil showings have been obtained.

The Arca well has the distinction of being the deepest oil well in the British Empire at the present time at a depth of 8,100 ft. yet production is not anticipated until another 400 ft. of hole have been drilled. Arca is financed by Imperial Oil, Calgary & Edmonton Corp., and interests associated with the Canadian Western Natural Gas, Light, Heat and Power.

Roxana, on the Kootenay Dome, west of Calgary, is drilling in the limestone although it is only a little more than 1,000 feet deep. It is from this formation that production is anticipated. J. C. Dallas, colorful figure during the 1928-1930 oil boom is president of Roxana.

Mining Dividends

	Rate	Close Nov. 23	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.30	..
Bralorne	30c+15c	8.25	..
Buff. Ankerite	20c	11.50	1.7
Bulolo Gold	‡1.40	31.00	..
Cariboo	10c	1.75	5.7
Central Patricia	†4c	4.35	..
Coniagas	†12½c	3.25	..
Cons. Smelters	50c	76.50	..
Dome Mines	$2+$2	52.50	7.6*
Falconbridge	30c	11.75	2.6
Hollinger	65c+35c	13.25	7.5*
Howey Gold	2c	.60	..
Hudson Bay	$1	32.75	..
Island Mountain	‡10c	1.15	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	12.00	.5
Int. Nickel, c.	$1.60	62.75	2.5
Kerr Lake	5c	.55	..
Kirk. Lake	‡3c	.65	..
Lake Shore	$5	60.00	8.3
Lava Cap M.	4c	.88	..
Little L. Lac	30c	7.15	..
Macassa	15c	7.05	..
McIntyre	$2	41.50	4.8
McKenzie R. Lake	6+1c	1.80	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.95	..
Nipissing	50c	2.60	..
Nor. Can. Mining	2c	.55	..
Noranda	$3	71.25	..
Pickle Crow	15c	7.15	..
Premier	12c+4c	3.45	4.6*
Pioneer. B. C.	80c	5.80	13.8
Reno	12c	1.38	8.7
San Antonio	14c	2.50	..
Sheep Creek	8c	.78	10.2
Siscoe	20c	4.40	4.5
So. Amer. Gold	30c	4.80	..
Sudbury Basin	10c	5.95	..
Sylvanite	20c	3.35	6
Teck-Hughes	40c+5c	5.75	8.7*
Toburn	8c	3.85	2.0
Ventures	2½+2½c	2.95	..
Ymir Yankee Girl	5c	.36	..

‡Interim. †Initial. *Yield includes bonus.

Read-Authier Report Shows Better Assets

Further Loan Made to Sigma Mines With Dome

POSITION OUTLINED

The present position of Read-Authier Mines, Ltd., is outlined to shareholders in an interim report over the signature of Louis Brochu, president.

The report shows that this holding company now has an investment of 23 1/3% in Lamaque Gold Mines, the Quebec producer; 37.85% interest in Sigma Mines which is preparing for production; 38.6% interest in Numaque developing a prospect, and 61.12% of Auriac Mines Ltd., which owns two blocks of claims and which, in June last, acquired the net assets of New Sigma Gold Syndicate Ltd.

On the basis of the present outstanding capital of 1,830,661 shares, each share of Read-Authier Mines represents shares in other mining companies approximately as follows:

Lamaque	.38
Sigma Mines	.62
Auriac Mines	.73
Numaque Mining Co.	.40

Auriac Financed

The president reports that Auriac has sufficient funds on hand to conduct a preliminary investigation of its two blocks of claims in the vicinity of Sigma Mines. Preliminary exploration of block two which adjoins Sigma to the northeast, yielded sufficient encouragement to warrant development work and arrangements were entered into to finance the necessary work. Accordingly on June 8, 1936, Auriac sold block two to Numaque Mining Co. in consideration of 1.2 million shares or 40% of the authorized capital stock. Numaque, officials state, has some $180,000 in its treasury and is, at the present time drilling the property. Shortly after completion of this agreement with Numaque, Auriac disposed of 200,000 shares of stock and now have $75,000 in its treasury.

The report outlines the position at Lamaque Gold Mines in which Read-Authier Mines holds 700.000 shares. Most of this information was contained in the recently published Lamaque report.

In connection with Sigma, the report recalls that Read-Authier advanced $200,000, representing 40% of a loan of $500,000, the other 60% being supplied by Dome Mines. Recently directors of Sigma decided that the mine was sufficiently developed to warrant production and as further cash was required, it was resolved to obtain an additional $300,000 of which Read-Authier Mines was asked to advance 40% or $120,000, Dome Mines making available the balance of 60% or $180,000. Both these loans are at 6% and repayable out of first profits.

Randall Mines Installs 50 to 60-ton Ball Mill

A ball mill of between 50 and 60 tons daily capacity has recently been installed on the property of Randall Mines Corp. in Abitibi County, northwestern Quebec. The company is continuing development work on the 325-ft. level in order to have the mill running at full capacity in the near future, The Post is informed by Mines Development Corp. which owns 70% controlling interest in Randall. At the same time the company intends sinking the present shaft to the 525-ft. level.

Randall Mines has an authorized capitalization of $2.5 millions and has financed all operations on the property since taking it over in 1933. Approximately $250,000 has been spent including some $75,000 by the previous operators.

A. B. Mackenzie who inspected the property in October places the value of indicated ore at $2,574,390.

The recently installed mill has been running part time for the past three months and although only ore from developing operations has been handled, results have been satisfactory.

British Columbia Minerals

British Columbia's mineral output this year will be about $1,250,000 more than last year with total estimated production for the present calendar year placed at $50,085,361. Increased gold activity is the chief factor responsible.

Powell Rouyn—A block of 75,000 shares comprising the Nov. 15 and Dec. 15 installments under agreement Feb. 22, 1936, has been taken up at 80 cents per share. Next installment will be 37,500 shares at 80 cents on Jan. 15, 1937, with subsequent installments of 100,000 shares each at $1, $1.25 and $1.75 and 165,000 shares at $2.

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Northern Canada Mining Faction Seeks to Control

The annual shareholders meeting of Northern Canada Mining Corp. scheduled for Dec. 10, threatens to provide a battle royal for control of this veteran exploration and investment company.

The group opposed to the policies of the present management claim to hold proxies for approximately 1.3 million shares of a total of 2.5 millions outstanding.

This faction claim that at the annual meeting in March, 1934, they obtained authorization for an independent survey of the Kirkland Lake Gold Mining Co.'s property in which Northern Canada holds some 1,690,200 shares. It was as a result of this survey that the former mine manager resigned, and Victor Emery became managing director.

In February of this year, after the company had failed to pass on to shareholders the Kirkland Lake dividend of three cents per share paid Dec. 1, 1935, Fred H. Deacon sought proxies in anticipation of the annual meeting being held in March, as customary. However, no meeting was called.

Dividend Announced

In a letter to shareholders dated Nov. 24, 1936, Mr. Deacon states:

"On Oct. 20 we wrote some shareholders asking for proxies, good until revoked, for any meeting, annual or special, because a little further delay by the management in holding an annual meeting would invalidate our earlier proxies which they knew were good for only 12 months. On Oct. 30—10 days later—the management sent a circular letter to shareholders announcing further dividend of two cents per share payable Dec. 1, 1936, 10 days before the annual meeting, in the hope, no doubt, that shareholders will graciously forget the many years of incompetent management and vote to let them continue to receive their large salaries and fees."

Mr. Deacon urges that all Kirkland Lake dividends be passed on to Northern Canada shareholders, and that a bonus of Kirkland Lake stock be declared for the benefit of Northern Canada shareholders.

He favors retention of the services of Mr. Emery.

In reply to this criticism, H. F. Cassidy, secretary-treasurer of Northern Canada, states the present management favors a distribution of Kirkland Lake Gold shares. He points out, however, that any partial distribution of the company's capital would automatically reduce the value of the company's shares, and also reduce the Kirkland Lake dividends received by the company.

Have Received $209,162

As regards distribution of Kirkland Lake Gold dividends to Northern Canada shareholders, Mr Cassidy points out that Northern Canada received between Dec. 1, 1934, and Dec. 1, 1936, a total of $209,162 in dividends from its Kirkland Lake stock. Of this amount, $150,000 had been passed on to Northern Canada shareholders. Another $53,728 received from Kirkland Lake had been invested in stock of Argosy Gold Mines at an average price of 25 cents per share. Market price for this stock now is approximately $1.13 per share.

Since March, 1935, Northern Canada has sold 100,727 shares of Kirkland Lake Gold, to assist in providing funds for the development of Argosy Gold Mines, and other activities.

News Concentrates

Bilmac Gold Mines—Recent drilling on the 170-ft. level has encountered a vein five ft. wide fairly well mineralized and showing about a third quartz, according to Mark C. H. Little, mining engineer. This vein is only 40 ft. west of the north end of the 170-ft. level. Assays were not available at press time.

* * *

Capps Gold Mines—A crusher of 150 tons capacity is being purchased, The Financial Post is officially informed and the balance of mill machinery will be ordered without delay. At the present time the mill site is being cleared and actual construction work is scheduled to get under way in a day or so. No. 2 shaft has now reached a depth of about 150 ft. The company reports that in excess of 150,000 tons of ore has been put in sight for milling.

* * *

Clark Gold Mines — R. H. Miner, president, reports that the permanent buildings are practically complete on this Kenora, Ont. property and foundations for a power plant are going on. In addition a new 60-ft. headframe is being started.

* * *

Cline Lake Gold Mines—subsidiary to O'Brien, has now indicated 300,000 tons of $14 ore by surface sampling and close diamond drilling to a depth of 300 ft. it is officially learned. The shaft is now down 40 ft. and is awaiting the erection of an 85-ft. steel headframe.

* * *

Faulkenham Lake Gold Mines—has received authorization from Washington for the sale and distribution in U. S. of 900,000 shares, to help finance development of the Red Lake property. Here shaft sinking is under way, The Post is informed, and drilling is scheduled for this winter.

* * *

Gillies Lake-Porcupine Gold Mines—Bernard N. Hyman, general manager, reports shipments of bullion to the mint at Ottawa for October total $20,750 but the total recovery was $26,688. After deducting all operating charges and development costs at the mines, including October purchases, an operating profit of approximately $10,000 was made.

* * *

McKenzie Red Lake Gold Mines—is installing additional equipment to increase capacity of mill to 225 tons per day. The installation will be completed in two or three weeks and some increase in milling is expected at that time. The actual amount, however, will depend on underground results. At the present time production is running around $180,000 per quarter.

* * *

Osoyoos Mines—R. A. Daly & Co. of Toronto announce that a public offering of shares in this company will shortly be made at 67 cents per share. The property is in the same district of B. C. as is Hedley Mascot, which is now milling 190 tons daily. Since March 31, a mill of 40 to 50 tons capacity has been in operation at the Osoyoos property. The present financing is to initiate a more aggressive development programme and ultimately to augment capacity of the present mill. The entire capital stock has formerly been held by a group of western businessmen.

* * *

Ross Red Lake Gold Syndicate—plans further surface exploration, J. B. St. Paul, field superintendent, having left for the property. A crew will start on the south group, northwest of the Val D'Or property, where good surface values have already been reported. After camps are erected, work will start on the north group, which adjoins Coin Lake property.

* * *

St. Pierre Cadillac Gold Mines—is calling for tenders for 5,000 ft. of drilling, after concluding a programme of surface exploration which included 16,000 ft. trenching. Edward H. Orser, company's engineer, has outlined the proposed development programme, funds for which are on hand, The Post is informed.

* * *

Smelter Gold Mines — Dr. J. F. Wright, geologist, has been engaged to direct resumed operations at this company's property in the God's Lake field of Manitoba. Preliminary work will consist of diamond drilling the contact in which the Akers break continues from the God's Lake mine into Smelter Gold. This zone is reported to have a length of 6,800 ft. on Smelter property, according to Dr. Wright's report.

* * *

Stewart-Abate Mines—George W. Abate, mine manager at this Beatty-Munro property, states that drill hole No. 2 intersected a vein at a depth of 111 ft. and continued in the ore to 135 ft. Good mineralization was in evidence for the full width of the vein. Previous drilling indicated an average of about $15 in gold per ton over a width of 17½ ft. The company is preparing for underground work.

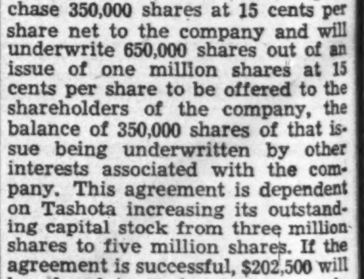
* * *

Sturgeon Goldfields—The Lundberg Geological and Geophysical Electric Survey is nearing completion on this property in the Rouyn district of Quebec. The company reports it plans to drill as soon as the report is completed.

* * *

Tashota Goldfields—has concluded financing arrangements with J. L. Bailey & Co. of New York. Under this agreement, the latter will purchase 350,000 shares at 15 cents per share net to the company and will underwrite 650,000 shares out of an issue of one million shares at 15 cents per share to be offered to the shareholders of the company, the balance of 350,000 shares of that issue being underwritten by other interests associated with the company. This agreement is dependent on Tashota increasing its outstanding capital stock from three million shares to five million shares. If the agreement is successful, $202,500 will be placed in Tashota's treasury in exchange for 1,350,000 shares.

Kelvinator of Canada Ltd. will spend between $75,000 and $80,000 to renovate the former Dominion Dyers Ltd. plant in London, Ont., for use in expansion of Kelvinator production. Expenditure includes new machinery. A 20% increase in 1937 payrolls is anticipated compared with the current year.

Transportation

The property of Empress Consolidated Gold Mines, upon which important development and exploratory work is now in progress, lies six miles from Jackfish station on the C.P.R. main line. The Trans-Canada highway traverses the Property.
Complete information concerning this operation available upon request.
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TORONTO

Raps Promoters For Failing to Tell Of Negative Assays

Godfrey Finds "Good Deal of Stupidity" in Platinum Fiasco — Judgment of Commissioner to Come Shortly

A four-fold tragedy, which shattered an engineer's dream, promoters' ambitions, the blind faith of directors, and shareholders' hopes, was recently unfolded at a two-day investigation held by the Ontario Securities Commission into the affairs of L. B. United Mines, would-be platinum producer in the Michipicoten field of Ontario.

The investigation centred around the fact that although assays from ore and concentrates from the Centennial Mine, owned by L. B. United, were reported by promoters to have shown high values in platinum, other assayers were unable to find any trace of platinum. Colin Campbell, mining engineer acting for the Ontario Securities Commission, reported he could find no evidence of platinum on the property.

Critical of Brokers

John M. Godfrey, Securities Commissioner, who presided, will not release his written judgment for some days, The Financial Post is informed. During the investigation, however, the commissioner was critical of the promoters, Lancaster Bros., for failing to inform the shareholders and the public of the fact that internationally known experts had failed to find platinum values in the samples from Centennial. Evidence showed, on the other hand, that much stock had been sold on the claim of platinum.

Mr. Godfrey indicated toward the close of the investigation that he could find no evidence of fraud or of "salting," but must find "a good deal of stupidity."

Although market letters issued by Lancaster Bros. referred to a "gold brick" which, it was stated, had been sent to the mint, these same letters neglected to mention the fact that the brick had been returned by the mint, because "it didn't contain enough gold."

Quizzed on this point by J. J. Robinette, Commission counsel, T. P. Pinner, sales manager for Lancaster, admitted the neglect, but sought to show that this literature was not intended to sell stock, but was merely informational material prepared for shareholders.

"I would point out," replied Mr. Robinette, "that nearly all these circulars recommend the purchase of the stock."

"Easy to Salt"

E. G. R. Ardagh, professor of applied Chemistry at the University of Toronto, was the first witness called, and testified he had assayed samples sent him by Colin Campbell, and had found no traces of platinum. Asked if it were an easy matter to "salt" platinum assays, he replied that it was a simple matter. He could not explain why it was that assays received by the company from Derby & Sons, of London, England, showed higher platinum values in the crude ore than they did in the so-called concentrates.

J. T. King, associate professor of Mining Engineering at the University testified he had applied another assay method to L. B. United "ore" and had also failed to find any trace of platinum values. Salting rock with platinum was "as easy as putting sugar in tea" he told commission counsel.

W. S. Pratt, general manager of L. B. United Mines was cross-examined at length. He was paid, he said, $7,000 a year by the company. He repeatedly stressed his complete ignorance of mining matters, claiming he had put complete faith in the company's engineer, A. Carr-Harris. The latter had told him, stated Pratt, in July, 1935, that if a mill were put on the property the company would, within three months, be obtaining a gross income of between $8,000 and $9,000 a day.

"There's Platinum There"

Pratt told the court of how James Kelleher, metallurgist from Sault Ste. Marie, claimed to be able to extract a profitable platinum concentrate from the Centennial ore. Kelleher never claimed to be able to extract the pure metal, Pratt admitted.

"I believed, and I still believe, there is platinum in that mine," averred Pratt, amid audible laughter. "It's all a mystery to me."

Commission counsel read a letter from Colin G. Finke, well-known United States assayer, dated Feb. 21, 1936, and stating definitely that no platinum values were found in samples shipped him.

"Did the brokers stop selling this stock after receipt of this letter?" asked Mr. Robinette.

Mr. Pratt: "No."

Mr. Pinner was summoned to testify with Pratt. He was asked when he first made use of the platinum angle in his sales campaign. It was in May, 1936, replied Pinner, at which time the company's weekly letter told the public that "definite confirmation of platinum" had been obtained.

No Correction Made

Mr. Godfrey: "At the time you made that statement, you knew that two internationally known authorities had found no trace of platinum in this rock?"

Pinner: "We knew that concentrates had been shipped for experimental purposes, and had returned negative values."

Mr. Godfrey: "Did you ever correct the statement made regarding the shipment of the gold brick?"

Pinner: "No."

Mr. Godfrey: "Don't you think it was your duty to have done so?"

Pinner: "Yes, in view of later developments."

Commission counsel read a letter from Pratt to Carr-Harris dated March 28, 1936, in which the general manager urged that "we must have definite information as to whether the ore carries various metals in commercial quantities or not."

Mr. Godfrey: "Here you had built a mill, at a cost of $34,000, and had been in production for some four months, and had no platinum values, or return. Suppose the public had been told these facts, how much more stock would have been sold?"

The witness made no audible answer.

Under cross-examination, witnesses admitted that in April, 1936, Kelleher had warned, in a letter, against giving out too much information regarding the supposed platinum, for fear that powerful rivals would in some mysterious way, obstruct the successful culmination of the company's plans. This they stated, was the only warning received by their metallurgist.

At this point a silvery looking object, with something the appearance of the lead paper weights found in newspaper offices, was produced. This was half the mysterious "gold brick" which, shareholders of L. B. United had been told, had been shipped to the mint. It was returned from the mint, because "it contained too much silver," Pratt explained.

"It looked like a gold brick to me," stated the general manager. "I thought it was gold."

C. A. T. Thompson, who appeared on behalf of Mr. Carr-Harris asked Pratt: "Do you think Carr-Harris would have been a party to salting this rock?"

"Absolutely not. I believe he is essentially honest," replied witness.

T. M. Mungovan, who appeared collectively for L. B. United Mines, and Lancaster Bros. was even more forthright.

"Did you," he asked Pratt, "salt this ore?"

Pratt: "Definitely not."

"Crazy or a Crook"

Asked about Hans Oberhauser, Austrian metallurgist, whose faith in the platinum content of L. B. United ore led to the amazing demonstration in Don Valley last August, Pratt stated: "I don't know whether the man is crazy or a crook."

"Oberhauser told me," stated Pratt, "that we had the richest mine he'd ever seen, and he had worked in the platinum mines of the Ural region in Russia."

Mungovan: "What do you think of Mr. Oberhauser now?"

Pratt: "There's a lot of paper around here. I'd better not answer that one in case it catches fire."

The testimony of Dr. W. E. Tindale, president of L. B. United Mines, was accompanied by considerable laughter from the crowded room. He started out by stating that he had implicit faith in the mine, and that "he had not sold one share of stock."

"How much money have you invested in the mine?" asked the Commissioner.

"Not one cent," came the reply.

Mr. Godfrey: "Then it doesn't mean anything to you whether L. B. United is a platinum mine or not?"

Dr. Tindale: "Not from a monetary point of view. I acted in complete confidence."

"Don't you feel you have shirked your responsibilities?"

Dr. Tindale: "Certainly not. I attended every meeting."

"Thank You, Sir"

Mr. Godfrey: "In England they'd call you a 'Guinea pig director.' They get the guinea from the fact that these directors are supposed to receive a guinea for every meeting they attend. I don't know where they get the 'pig.'"

Witness: "Thank you, sir."

Mr. Godfrey: "My advice to you, Dr. Tindale is that if you don't take your duties as a director more seriously, you'd better keep off these boards altogether."

S. H. Fleming, a director of L. B. United, voluntarily testified, averring the good faith of directors.

M. L. Lancaster told the enquiry the "inside" story of the demonstration in a crudely constructed "laboratory" in some brickworks in the Don River flats at Toronto.

"If I'd known that the demonstration would have made such fools of everybody, it would never have been held," he stated.

Oberhauser, who was working with Kelleher, was enthusiastic about the property, Lancaster related. Following published scepticism about platinum at the Centennial, Oberhauser again stated definitely his ability to produce a platinum sponge.

"We'll Show the World"

"I said 'if you're sure of this, we'll show the world,'" related Lancaster. "I arranged the demonstration in the Don Valley, and invited newspapermen and scientists to attend."

Mr. Godfrey: "I feel slighted that I wasn't asked."

Witness: "You were away fishing, I believe."

At the conclusion of the demonstration, Oberhauser produced some small, button-like objects which he claimed were the next thing to the pure metal, said Lancaster. It was suggested that Prof. Fred Beamish of the University of Toronto, assay these objects.

"Under a microscope, they looked just like platinum," related Lancaster. "Nobody was more surprised than I was when Prof. Beamish reported that they contained no trace of platinum, and were mostly silver.

"Mr. Pratt and I immediately visited the Don Valley laboratory where Oberhauser was still working. There was a vessel of boiling sulphuric acid on a gas jet. We demanded that Oberhauser show us the credentials which he had claimed to have. For answer, Oberhauser seized the sulphuric acid, and tried to drink it. We seized him, and before he could drink it, rushed him to a doctor. The last we heard of him, he was still in New York, and stated he was going to justify his claims in connection with our property."

Quizzed Regarding Profits

Lancaster stated that when Prof. Beamish's negative report was issued, he stopped the sale of L. B. United shares, before he was told to by the Securities Commission.

"What profit did you make from the sale of this stock?" asked the Commissioner.

"The average selling price of the stock was 50 cents a share, although we sold some as high as 85 cents a share."

Mr. Robinette pointed out that in Nov., 1935, Lancaster Bros. was selling stock, for which they had paid 25 cents, for 65 cents a share.

"At present," interjected Mr. Godfrey, "we can do nothing in the case of a broker who has bought his stock outright. We cannot tell him at what price he must sell it."

Mr. Lancaster claimed he was "financially worse off" as a result of the L. B. United enterprise.

"But we are standing by the property 100%," he said. "We are going after gold now."

James Kelleher told the enquiry he had first discovered platinum in April, 1935. He had done considerable work on the platinum group of metals in the past, and believed he had developed a process for extracting it. He differed from William McNeil, provincial assayer, who had told the enquiry that it was a simple matter to determine the presence of platinum.

Mill Built on Two Samples

Mr. Robinette: "Do you or don't you still believe in the presence of platinum in the Centennial ore?"

Mr. Kelleher: "I do. The difficulty is to extract it."

He had applied for a patent on his process in Aug., 1935, but had not as yet obtained it, he stated.

Under his agreement with L. B. United, the company was to have full use of his process. Kelleher would stand to benefit only if L. B. United became a profitable platinum producer.

Mr. Kelleher stated it was most unfair for Mr. Pratt to have taken the attitude that the mill was built on the strength of his (Kelleher's) recommendations.

"I still feel that the mill was justified for gold, but its construction had nothing to do with me. I was employed as metallurgist, not as an engineer."

"I think it clearly your duty to have warned the company that your process was purely experimental," stated the Commissioner.

Carr-Harris was examined briefly. He admitted that the mill had been built chiefly as a result of two samples.

Mr. Godfrey: "Don't you think you've made a terrible mistake?"

Mr. Carr-Harris: "I admit I've made a mistake. I still think there's platinum there though."

At the conclusion of the hearing, the Commissioner asked if any of the shareholders present wished to testify. Without being sworn in, one shareholder launched into an emphatic defense of the company. Two women, however, attacked the management, and the manner in which shares had been sold.

"I was told the wildest fairy tales," stated one woman. "I'd like to see the public get a fair deal. I'd like to see something done to prevent men like this preying on widows."

Mr. Godfrey: "If you've any evidence of a breach of the Securities Act, you had better lay it before the Commission."

"Is it a breach of the law to come to a residence and try to sell stock?" asked this woman. "That's what they did."

Another shareholder wished to know why a shareholders' meeting had not been called.

"I can say that one will be called shortly," replied Mr. Mungova.

L.B. Shareholders Still Have Some Equity Behind Shares

So much has developed since The Financial Post, on Aug. 1, first threw doubt on the much touted claims of platinum at the Centennial property of L. B. United Mines, that shareholders may have become confused as to the equity represented in their stock.

Much of this stock was apparently sold on the strength of the platinum claims. Experts of undoubted ability and integrity have testified that they can find no platinum in this ore, although officials of the company still adhere to their belief.

At the present time, the picture is as follows:

L. B. United Mines still owns the Centennial mine which will now, it is stated, be developed, as a gold prospect. The property is equipped with a 50-ton mill.

The company also has another property in the Matachewan area, which has admittedly failed to give encouraging results from development work to date.

In addition, L. B. United owns, The Post understands, about 1.2 million shares in Lancour Mines, a Porcupine gold prospect.

M. L. Lancaster told the enquiry that the company had some $20,000 in the treasury, now controlled by the Securities Commission, with which its plans may be financed.

Ready to Treat Vast Tar Sands Of Athabaska

Refinery Completed as Novel Project Gets Under Way

From Our Own Correspondent

WINNIPEG.—All set and ready to go, a completely equipped 700-barrel daily capacity refinery is standing on the banks of the broad Athabaska River, 50 miles north of its junction with the Clearwater and the same distance from the end of steel at Waterways.

It marks the end of a period of many years during which time repeated efforts have been made to establish a refinery to deal with the far-famed tar sands of Alberta. The proper term is bituminous sands and they cover an area roughly 115 miles in length and 45 in width. They are said to form the world's greatest visible known oil reserve and while the value of these deposits has been recognized since their first discovery, the refinery now completed is the beginning of a new era in bringing into productiveness these vast wastes of bituminous deposits.

Produces Various Oils

R. C. Fitzsimmons, general manager of International Bitumen Co. Ltd., with headquarters at Edmonton, says the plant was turned over in October to test its efficiency and that it was found to work perfectly.

The refinery is of the tube steel type and is very flexible in that it may be easily changed to produce particular types of oils required by different Diesel equipment. The principal products are two grades of Diesel oil, lubricating oils and asphalt in two grades, one for paving use and the other for roofing and the manufacture of paints, japans and waterproof lacquers. An important by-product is icthulene, largely used by the medical profession.

Practically half the Diesel oil output will be taken by the boats which ply up and down the Athabaska and by the mines which lie to the north. Other products will be freighted by barge to Waterways and thence by rail to Edmonton for distribution to the markets. The plant can also produce high-grade gasoline.

The refinery is located on a prolific and high-grade deposit with overburden of about three feet, while the sands at this locality have a depth of 42 ft. running 17 to 30% bitumen.

To Start in April

Operation will be commenced some time in April of 1937 and plans at present are to operate until the Athabaska freezes over, storing product for winter sales at an Edmonton warehouse.

Mining Enquiries

Grierson Sturgeon River

I would like as much information as possible as to Grierson Sturgeon River Gold Mines, in which I have some stock, purchased about two years ago.

Grierson Sturgeon River Mines is inactive and has not operated since March, 1935, when development was discontinued. Its resumption appears contingent on securing additional financial assistance.

The company's head office is 710 Excelsior Life Bldg., Toronto. The company was formed to explore and develop a group of 10 claims in Sturgeon River but development was limited to surface work.

Lieut.-Col. G. E. McLean, of Collingwood, Ont., is president. The company is authorized at $3 millions in shares of $1 par value common stock of which $1,550,000 are issued. A total of 1,250,000 shares were issued for the properties and pooled, while 300,000 shares were offered by P. E. Newton & Co., Toronto, in 1934, at 18½ cents a share.

Algoma Summit

What are the prospects and earning possibilities of Algoma Summit Gold Mines? I am considering purchase of this stock as a speculation.

Algoma Summit Gold Mines commenced operations on a larger scale last February, using electric power to operate a 75-ton mill, which, we understand, is running between 40 and 60 tons daily at the present time. Foundations were poured in September of this year for a 1,000-ton mill building with an initial unit of 500 tons capacity planned and an initial rate planned at 250 tons daily.

No details of the financial position of the company have been made available but it would seem to be in a position to carry out the present programme of expansion. To date, ore from the shaft and from open cuts has been used in the mill for testing purposes and does not provide an accurate basis on which to estimate future production possibilities. In the first six months of this year $7,007 was produced in bullion, 2,218 tons milled and giving average recovery of $3.16 gold per ton. The operation is an interesting one, still speculative but obviously with possibilities of becoming a more important mining development than it has been to date.

Copper Prices

Do you look for a sharp increase in copper prices? I note from your columns an absence of any wild enthusiasm as to the future of copper, although I judge you feel that the present level is on a firm basis. Am I right?

Regarding the general copper situation, observers do not think that a substantial or spectacular increase in price over present levels is indicated. One reason for this is that the International Copper Committee recently increased the allowable production among countries subject to the agreement and this will have the effect of materially increasing available supplies of copper above ground. It is generally thought that increasing production of copper is coming more in line with current demand for industrial and armament purposes and that the present price is likely to represent a reasonably steady level for some time to come.

Albany River Mines

What chances has Albany River Mines of becoming another Pickle Crow? When will the property be in production? Please supply me with a brief analysis.

Albany River Mines have made no definite decision as regards a mill, and in our opinion, such a decision would be premature in any event. The property, which is northeast of Pickle Crow Gold Mines, has been developed by a shaft now down to about 300 ft. Recently the company's engineer reported the finding of a new ore body in shaft sinking below the 250-ft. level. The ore which averages $11 per ton across three ft. width does not connect up with known ore bodies and may prove to be the apex of a new formation. No estimate has been made as to ore reserves as a considerable amount of lateral work will be necessary before a worth-while estimate can be made. It can only be said that drilling results and surface work, together with the development mentioned above, make this property a promising speculation. The plant has recently been electrified.

Banks of Bulolo

His Dredge Scheme, Tried in Canada, Hurdles Huge Obstacles in New Guinea

By CHARLES SHAW

VANCOUVER. — This was "old home week" at the offices of Placer Development, Ltd., for Charles A. Banks, managing director of Bulolo Gold, Pato Consolidated, Rutherglen Gold Dumps, Asnuzo Gold and two or three other subsidiaries of the corporation which 10 years ago he founded and which have grown into one of the world's greatest placer mining enterprises.

Back to his home town, where he first set afoot his ambitious gold mining projects, came Mr. Banks to preside at the annual meetings of his various companies, and for him it was a happy return, for he was able to report that every company is not only making rapid progress but making handsome profits as well.

"We have grown very fast," admitted Mr. Banks in an interview with The Financial Post. "The world is our field. It is hard to tell how far we will expand in the next few years. We are operating today not only in Canada, but in New Guinea, Colombia, Australia and California."

And before the interview was ended he received a telegram intimating that his companies might find it worth while to extend their operations to yet another continent.

Scoff at Dredge Plans

When Charlie Banks, a New Zealander who had served overseas with the Royal Engineers, came to British Columbia after the war, seeking adventure and incidentally a fortune, Cariboo old-timers scoffed at his plans to wrest the placer gold from the Fraser River with a dredge. They chuckled and said they knew all along exactly what would happen when, after a few years of indifferent success, Charlie Banks abandoned the dredge project and quit the Cariboo. But to Banks that was only one false start. He retained his faith in British Columbia and soon was the mainspring of B.C. Silver, which subsequently sold out to Premier Gold Mining Co.

His ventures in this province were not spectacularly successful, but Banks still held the conviction that, provided the right property could be obtained and the right technical men found to work it, nothing was more promising as a commercial enterprise than placer gold mining. When Placer Development, Ltd., was organized some 10 years ago in association with William Addison Freeman and supported by the great Consolidated Goldfields, Ltd., Mr. Banks adopted the principle that in future the whole world would be his field. He and his capital and his engineers would go wherever the prospects were best—even to the ends of the earth.

And that is precisely where he went. The prospect that intrigued his fancy most was a placer deposit in the heart of New Guinea, where an Australian syndicate had tried unsuccessfully to "make a go of it."

"But you might as well save your time and money," he was told. "The mine is away up in the hills, across fever-filled jungles infested by cannibals."

Instead of discouraging him, the news fired Charlie Banks's imagination, and when the mineral reports were studied he made up his mind. An idea had been born. Why, he reasoned, couldn't 'planes be used to develop such a property? 'Planes were breaking open the ice-locked wilderness of northern Canada to find fortunes for gold seekers. Why couldn't they be used in the tropics?

6,000-ft. Jump

And so Bulolo Gold Dredging, Ltd., was organized, based on the assumption that aircraft would win success where the orthodox methods of the past had dismally failed. Banks went to Germany and conferred with Herr Junkers. He explained his problem, and the plan appealed to the inventive genius of the German air master. Orders were placed and eventually three huge 'planes were put in service, to carry equipment and supplies from the company's seaport, Lae, on the New Guinea coast, to the mines 2,500 ft. above sea level over mountains 6,000 ft. tall.

"Everything we needed to make the camp has been flown in by those 'planes," said Mr. Banks. "Even the huge dredges that cost more than $600,000 were flown in, part by part. In several instances we had to remodel the carriage of the planes to accommodate the massive parts. To date we have carried more than 17,000 tons into the mines without a single accident. The 'planes have a capacity of 3½ tons each.

Almost from the outset Bulolo has been a success story and a narrative of unique achievement, but to modest Charlie Banks it is merely an engineering feat performed under rather difficult conditions.

Just how successful Bulolo has been during the past year was revealed in the annual report published recently. Net operating profit for last year was $3.2 millions.

Although his operations have taken him far afield, British Columbia still takes pride in claiming Charles Banks as one of its distinguished, and, incidentally, one of its wealthiest, residents. In recent months he and his wife, the former Jean de Montalk, F.R.G.S., of Paris, who shares with him a love for adventure in far places, have spent much of their time in San Francisco, but the head office of his vast corporate interests remains in the same building in Vancouver where they first saw light.

Hightower Fails To Pay Common

Reduces Income of Former Royalty Holders by Half

Hightower Oil & Refining Co. (Canada) Ltd. has not paid dividends on its common shares Dec. 1, although 15 cents a share was disbursed on the preferred shares of $10 each.

Formerly dividends of five cents a share on both common and preferred were being paid monthly. The preferred dividend, it is stated, is now being paid quarterly, the last previous disbursement having been Sept. 1.

Reason for suspension of common dividends is stated to be that the company is using the funds for drilling on oil properties.

Originally Royalties

Hightower Oil & Refining Co. through its wholly-owned subsidiary, Hightower Oil & Refining Corp., operates in the United States. It had its origin in Bonded Royalties Ltd. The name of the promoting firm was changed in 1932 to Bonded Corporation, which sold oil royalty certificates of $10 each to many investors. These certificates were paying 1% monthly or 12% annually and were secured by deposit of oil royalty trust deeds.

The Hightower firm was formed in 1935 under Ontario laws. Bonded Corp. offered holders of the royalty certificates an exchange of one preferred and one common share in Hightower for each $10 royalty certificate. Most holders of the royalties exchanged their certificates under this offer.

As long as the 6% preferred dividend and five cents monthly was paid on the common stock by Hightower, investors got the same income as from their royalty certificates. By suspension of the common dividend, this rate is cut in half.

Initial Statement

The effect of the change of investment from royalty certificates to Hightower shares was to place the royalties under control of the company instead of on deposit as direct security. As a result of this change also, investors had shares in Hightower but had not received a financial statement. This initial report is supposed to be ready soon.

Directors of Hightower are: James A. Watt, president, H. W. Greenwood, secretary-treasurer, both of Montreal; W. H. Jex, vice-president, and G. S. Haines of Toronto; John Lowe, Valleyfield, Que.

An Announcement:

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This Supplement will be read by Bankers, Stockbrokers and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.

Full particulars of advertising rates, etc., can be obtained upon application to—E. Stuart Johnstone, The Park Plaza, Avenue Road and Bloor Street, Toronto.

Fox Lake Gold Mines Cuts Parallel Vein With Drill

From Our Own Correspondent

SUDBURY.—What is apparently a parallel vein has been encountered at 590 ft. in drilling No. 20 hole at Fox Lake Gold Mines in the West River section. Lee W. Adams, president and mine manager, told The Financial Post that the drill intersected the mineralization at 590 ft. and continued in the formation to 556 ft., indicating a true width of about 21 ft. The core has been sent for assay. Drilling of the hole is continuing, and the management expects to cut the main vein at about 650 ft.

A check-up of the cores which came from the main vein showed No. 3 hole to have cut the vein at 100 ft., yielding an average of $3.80 per ton, and No. 4 hole intersected the mineralization at 300 ft., with a grade of $8.05. No. 1 hole cut the main vein at 60 ft., and No. 2 at 55 ft.

Aldermac Copper Corp. Releases 340,500 Shares

From Our Own Correspondent

MONTREAL.—Aldermac Copper Corp. has notified the Montreal Curb Market that since Aug. 31 last 340,500 additional shares had been issued.

At the end of last August the company's balance sheet showed the issued capital at 3,604,681 shares and an additional 595,000 shares subscribed for but not yet issued. Since that time 340,500 of the subscribed shares have been issued, leaving a balance of 254,500 shares.

The total number of shares outstanding in the hands of the public is now 3,945,181.

Lebel Oro Mines Sells Optioned Stock

From Our Own Correspondent

MONTREAL.—Lebel Oro Mines advise the Montreal Curb Market that 35,000 additional shares at 15 cents a share have been taken up under the option agreement. A total of 288,500 shares now remain under option at 15 cents a share.

Meet Encouragement At Reed Lake Mines

From Our Own Correspondent

WINNIPEG. — Extensive surface exploration work on Reed Lake Mines' property at Reed Lake in Northern Manitoba, has been very successful, according to John Waldron, of The Pas, who has recently visited the property. Three new veins have been opened up, having good length and exceptional values over mining widths. These veins have been trenched and stripped at regular intervals and samples taken.

Work on the original veins continued and they have been traced for several hundred feet farther to the north. Mr. Waldron estimates that it will require approximately from $6,000 to $10,000 more to thoroughly prove the property, much of this to be spent in diamond drilling. Three of the veins for some distance closely parallel each other and the drilling would establish whether or not they become one vein at depth, or whether they are continued as separate veins.

P. Steart Heintzleman, president, says he anticipates little difficulty in financing the part of the programme calling for further exploration and that if this should prove satisfactory in providing the balance required to bring the property to production.

Mineral Industries Ltd. Places Stock on Market

From Our Own Correspondent

MONTREAL.—Irving, Brennan & Co., of Saint John, N.B., is making a public offering of 625,000 no par value shares of Mineral Industries Ltd. at 25 cents a share.

Mineral Industries apparently has been formed for the purpose of promoting development of gold mining properties in Nova Scotia and already has been closely identified with Seal Harbor Gold Mines.

K. C. Irving, of Saint John, N.B., is president, and J. W. Godfrey, of Halifax, N.S., vice-president. The board is made up of F. H. Pattinson, Preston, Ont.; C. Baycroft, Goldboro, N.S., and F. J. Brennan, Saint John, N.B.

Capitalization of the company consists of 1,500,000 shares, of which 786,723 shares have been issued. The issued shares will be increased to 1,411,723 shares on completion of present financing.

OPTIONS

Darkwater—Robb Montbray Mines has exercised its option to purchase 82,062 shares at 75 cents per share, under agreement Oct. 23, 1935. This concludes the option and there are no further shares outstanding.

Morris Kirkland—A block of 26,000 shares, part of the Nov. 26 installment of $46,000, has been taken up at 50 cents per share under agreement Sept. 16, 1936. Balance of option comprises 20,000 shares at 50 cents.

Laguna—Nov. 15 installment comprising 50,000 shares at 50 cents per share under agreement Feb. 24, 1936, has been taken up. Balance of option comprises 50,000 shares at 50 cents by Dec. 15 and 32,995 shares at 50 cents by Dec. 31.

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St-Pierre Cadillac Gold Mines Limited

(NO PERSONAL LIABILITY)

Capital Authorized	3,000,000 shares
Capital Issued	1,200,000 shares
Pooled	1,000,000 shares
CHARLES C. KNIGHT	President
CHARLES ST-PIERRE	Vice-President
ROBERT LAFLEUR	Director
MAURICE FORTIER	Sec.-Treasurer

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Rail Interests Oppose Water Cut-off to N.Y.

Preliminary Skirmish Before International Joint Commission Brings Arguments Both For and Against Scheme

From Our Own Correspondent

MONTREAL.—Marked opposition was expressed by railway interests to the proposed deep draught waterway from Montreal to New York before the International Joint Commission hearing in Montreal.

By virtue of the treaty signed in 1909 between the United States and Britain relating to the boundary waters between Canada and the States, the commission has undertaken a study of the advisability of improvement "of a waterway from Montreal through Lake Champlain to connect with the Hudson River, together with the estimated cost thereof and to report to the Dominion of Canada and to the Congress of the United States."

Three routes are suggested. One from Longueuil to Chambly, Richelieu River to Lake Champlain and Champlain barge canal to the Hudson River; secondly, Lake St. Francis, near Valleyfield, using the Chazy River to Lake Champlain four miles below Rouses Point; and Sorel, up the Richelieu River to Lake Champlain.

Rails Combine Forces

Generally all the railways, the Montreal Board of Trade and Montreal Chambre de Commerce and other interests along the St. Lawrence above Montreal are opposed to the scheme, while those directly affected by the proposal and shippers favor the deep draught waterway. Opponents of the plan, however, have been cautious in their criticism, as the route, cost, etc., have not been determined by the commission's engineers.

J. K. McNeillie, vice-president of the Napierville Junction Railway, subsidiary of the Delaware and Hudson, argued that there was no need for the project, which would imperil his railroad.

He pointed out that water-borne freight passing through the Chambly Canal in both directions had dropped from 752,117 tons in 1909 to only 44,219 tons in 1936. Confining himself to figures for the years 1923 to 1935, he submitted that, while tonnage on his road had shrunk about 35% in that period—1,000,350 to 645,109 tons—that of the canal had shown a drop of approximately 80% 213,190 to 44,219 tons—in the same time.

Paul A. Beique, engineer representing the Montreal Chambre de Commerce, said that the Lake Champlain-Hudson River seaway, considered as a separate project from the St. Lawrence deep waterway, would be economically unsound. He qualified his remarks by saying that if the cut-off was to be part of the larger project, he would like to file an additional brief later.

See Threat to Rails

Definite objection to the proposed waterway was taken by George A. Walker, representing the Canadian Pacific Railway, who said it was inopportune at this time and a potential threat to the railway's business. He, too, regarded the time as inopportune for the spending of money on new transportation facilities to take away traffic from the present carriers.

A similar stand was taken by the Canadian National Railways and the Montreal Board of Trade.

Lack of Interest

Speaking for the latter J. L. Carson, president, said: "The necessity for the scheme is not apparent to us. Indeed it is our belief that the territory adjacent to the proposed waterway is already adequately served by waterways, railways and other forms of transportation facilities, none of which is used to nearly its capacity. No representations in favor of the construction of the waterway have been made to the Board by any Canadian business interest, which would have been the case if the scheme promised advantage."

Additional opposition evidence was filed by Frank S. Davis, vice-president of the Atlantic Deep Waterways Association and head of the Maritime Association of the Boston Chamber of Commerce, while briefs were filed on behalf of the Associated Railroads of New York State, Main Central Railroad, Boston and Maine Railroad and the Boston Port Authority.

Local Interests Favor

Favoring construction of the Lake Champlain-Hudson River waterway were Herbert G. England, chairman of the freight committee of the Vermont Granite Association and T. T. Lawson, general manager of the Barré Granite Association. Both believed it would aid the Vermont granite industry by opening new markets and lowering transportation costs.

Fred S. Keiser, traffic manager of the Duluth, Minn. Board of Trade and spearhead of the proponent forces, has been particularly active in fostering the scheme.

Saving on Shipments

Stanislas Poulin, K.C., former president of the St. Johns, P.Q., Board of Trade, strongly advocated the waterway, claiming that Quebec newsprint manufacturers would be able to save $2 a ton on shipments to New York. He said the boats carrying paper would be able to return with Pennsylvania anthracite and Ohio bituminous coal.

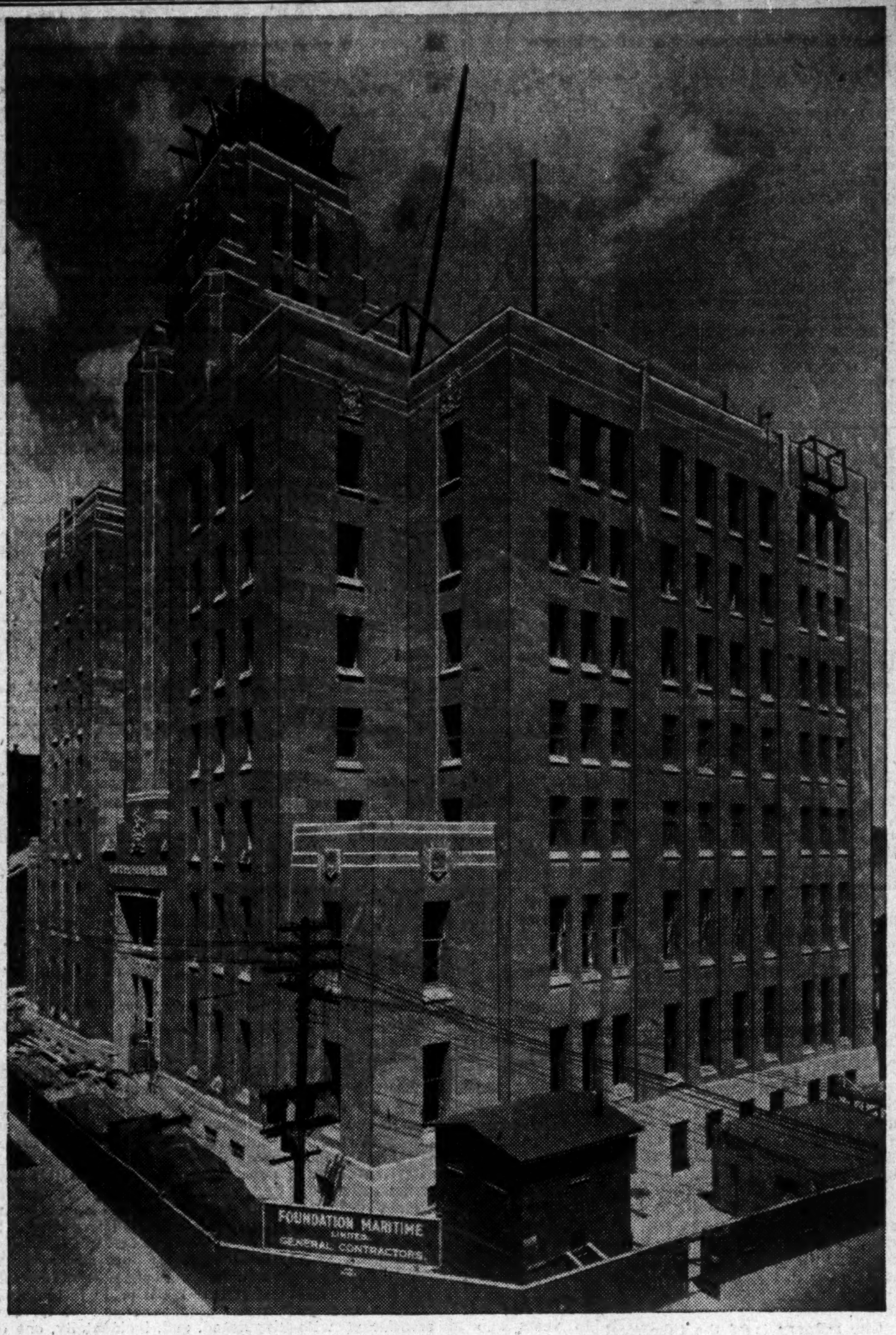
Louis Regnier, vice-president of the Champlain Valley Council, an association of boards of trade and chambers of commerce, advanced as his strongest argument the fact that Montreal would be brought more than 1,000 miles nearer New York by water.

Other witnesses were heard in favor of the project.

Additional evidence will be taken by the commission in New York, while it is expected further briefs will be filed by interests which have already appeared before the commission when the engineers make their report.

Canadian Textiles

Canada's production of textiles and textile products had a gross value which ranked the industry third among all Canadian industries in 1934, and showed textiles to constitute 13% of production of all industries.



PIERCING HALIFAX SKYLINE

New Dominion Public Building at Halifax, now practically completed, is seven stories high, exclusive of basement and tower. Faced with Nova Scotia stone with interior finished in Canadian marble, it will house Federal Government offices located in Halifax. Foundation Maritime Limited, subsidiary of Foundation Company of Canada, is the general contractor.

51% Consent Is Required In Refunding

B. C. Financial Men Are Critical of Municipal Legislation

From Our Own Correspondent

VANCOUVER. — Financial men here deplore the action of the British Columbia Legislature in authorizing municipalities to submit refunding plans to the Government for approval on getting assent of owners of 51% of the bonds in the hands of the public.

There might have been little quarrel with an agreement stipulating a percentage of perhaps 75% of the bondholders, but a bare majority is regarded as too narrow a margin.

Those who have studied the situation here closely believe that there is little foundation for the fear that without such legislation municipalities of British Columbia would be tempted to follow the course of Alberta. If there has been warrant for such fears at any time, that time is now past. The continued improvement in the position of the province as a whole as well as of individual municipalities is such as to place conditions here in a much different category to those prevailing in Alberta.

May Affect Credit

Possible damaging effect on British Columbia's credit is the reason for regret at the legislature's action. Two years ago, it will be recalled, Hon. A. Wells Gray, Minister of Municipalities, made the announcement that municipalities would be given the privilege of refunding with the consent of bondholders, and the legislation implements that statement, although somewhat belatedly.

Provision that municipalities wishing to apply for refunding will have to turn over their sinking funds to the Government may, however, act as a deterrent. Vancouver, for instance, would probably consider a good many expediencies before going to this extreme.

Attitude of Candidates

Meanwhile, aspirants for the mayor's office in Vancouver to be vacated by Mayor G. G. McGeer this month are outlining their position on the bond situation. Ald. G. C. Miller, long chairman of the city's finance committee, who was one of those who negotiated with bondholders at Winnipeg, is a candidate and he will probably support his proposal for a "five-year breathing spell" during which Vancouver would curtail sinking fund payments and reduce interest payments over a specified period.

C. E. Thompson, who was McGeer's campaign manager, is another candidate. He favors a plan to secure the consent of bondholders to insert a clause in city debentures permitting their recall, after which he would "follow the example of the B. C. Power Corp. in refunding securities."

Bell Telephone Co. of Canada is constructing a new telephone exchange on Côte des Neiges Rd., Montreal.

The BACHELOR'S COLUMN correspondence should be addressed to: "Bachelor", Andrew Wilson & Co. Ltd., Toronto.

Do It Now! . . .

Three of us were sitting round the club one evening . . . talking and smoking . . . I forget how we got on the subject of Christmas shopping . . . but I remember we all agreed that people should do it early. You get a better selection for one thing . . . but another reason was our feeling of sympathy for the store clerks and postal employees. If Christmas means anything it means showing some consideration for the other fellow . . . thinking of his (or her) well-being just a little bit. And, oh yes, there was another thing we agreed on . . . that Bachelor Cigars make mighty fine Christmas presents—to give or to get.

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Propose to Exchange Sinking Fund Bonds

Edmonton and Calgary Seek to Offset Losses

PAY FULL INTEREST

From Our Own Correspondent

EDMONTON.—Efforts of Alberta's two largest cities, Edmonton and Calgary, to secure concessions from the Provincial Government to compensate for losses caused by the Government's reduction of bond interest are gradually lining up behind a demand for exchange of bonds at face value.

The proposal is that city-held provincial bonds be exchanged for province-held city bonds. Success in this proposal would probably open an avenue, though rather limited, for other corporate holders of Alberta bonds to offset losses suffered as a result of Alberta's arbitrary reduction in interest. This would depend on the ability to arrange exchanges of holdings of Alberta bonds for the holder's own issues. In the case of Edmonton and Calgary, both civic sinking funds are heavy holders of Alberta bonds.

Sinking Fund Holdings

Calgary's sinking fund holds $1.2 million of provincial bonds, and provincial sinking funds hold $723,000 of Calgary bonds. As it is now Calgary is paying full interest into provincial coffers, while the province has cut in half its bond interest payments.

Edmonton holds $934,000 of Alberta bonds, and the province holds $1,900,000 of Edmonton bonds.

Meanwhile, bondholders' representatives, J. E. Fortin and H. L. Hancock, of Toronto, are preparing reports on the requests of both Edmonton and Calgary for downward revisions of interest rates.

In October the Edmonton council approved a reduction by 50% of interest paid on all Edmonton bonds held by the province. This action was approved by Social Credit aldermen, though initiated by a non-Social Crediter. It would have saved the city $24,500 a year. Then came Edmonton's civic election, when Mayor Joseph Clarke, with Social Credit leanings, and Social Credit candidates argued that such arbitrary action was a mistake.

One of the first actions of the new council, late in November, was to restore full interest payments to the province. This carried by virtue of Mayor Clarke's deciding vote, and left Edmonton back where it had been since the Aberhart Government put its all-round reduction into effect June 1 last.

Meanwhile, Calgary had established that the Provincial Government was standing by its refusal, announced last June, to equalize the effect of its interest reduction with holders of Alberta bonds. The Calgary council sent a written request to the Aberhart Government to accept a reduction in interest on the Calgary bonds it held. On Nov. 23 a reply came from Premier Aberhart, saying that any reduction directed against the Provincial Government alone would be "discriminatory," and that the province did not possess the right to make a reduction.

Finally, the Aberhart reply said: "In view of relief and other grants to the city, it is suggested that an adjustment with regard to any single aspect of that relationship might necessitate further compensating adjustments along other lines."

Said Mayor Andrew Davison of Calgary: "It looks like a threat."

With the failure of efforts to secure an adjustment by mutual interest cutting, the emphasis has shifted to the proposal to exchange bonds.

Railways Pressed For Bridge They Don't Want

From Our Own Correspondent

OTTAWA.—A conference between the two railway companies and the Minister of Transport is being held in connection with the rebuilding of the bridge at Fredericton, which was washed out by the spring floods.

It was used jointly by the two railways. Traffic since then has been re-routed without much additional cost or inconvenience, it is said.

The railways are not keen about embarking on the expense of a new structure with financial conditions as they are, but considerable political pressure is being brought to bear on the Federal Government from New Brunswick.

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